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PLANNING A DOMESTIC HOLIDAY? CHECK THE GUIDELINES P12

Best investments for your daughter

Education and marriage of daughters are key financial goals for most Indian parents. Find out how you can reach them. P2

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VISIT…

BEST INVESTMENTS FOR YOUR DAUGHTER

Education and marriage of their daughters are key financial goals for most Indian parents. Find out the best instruments that can help you reach them.

PHOTOS: GETTY IMAGES

By **Babar Zaidi**

Covid was raging and several parts of Mumbai were locked down, but that didn't stop Sarika Sinha from giving her daughter the best gift a parent can. Last month, the Mumbai-based finance professional opened a Sukanya Samriddhi Yojana account for her daughter Praashvi. "I will put the maximum ₹1.5 lakh in this scheme every year," she beams.

Financial planners say the Sukanya scheme is a good option for parents with daughters below 10 years. "The scheme offers assured returns so there is a predictable compounding of the investment every year," says Prableen Bajpai, Founder and Managing Partner, FinFix Research & Analytics. "What's more, the interest is fully tax free. Parents should not let go of this opportunity," she adds.

While the Sukanya scheme is indeed a good investment, the problem is that it may not be enough to save for the education that Sinha has in mind for her daughter. The scheme has a ₹1.5 lakh annual investment ceiling. Also, it offers 7.6% interest right now, though this could change in future. Assuming an interest rate of 7.5% per annum, Sinha's investments would grow to about ₹46.5 lakh when two-year-old Praashvi is ready for college after 16 years. That's a sizeable sum, but will fall well short of the targeted ₹1.1 crore. Education inflation in India is very high, with costs escalating almost 9-10% every year. The ₹25 lakh needed for college today would have risen to nearly ₹1.1 crore by 2036.

To augment Praashvi's college kitty, Sinha and her husband have started SIPs in two equity funds and a hybrid scheme. They are putting ₹12,500 a month in the three schemes. "We have assumed conservative compounded returns of 10% over the

next 16 years," she says. The investments would grow to around ₹60 lakh in 16 years, complementing the ₹46.5 lakh corpus of the Sukanya scheme.

If you are also saving for your daughter's education, use a mix of equity funds and debt instruments to reach your goal.

Risk of rupee depreciation

The Sinhas have assumed education inflation of 10%. But the costs could escalate more for someone aiming at foreign education for her child. The depreciation of the rupee against major currencies will add to her burden.

As a hedge against currency depreciation, financial planners are now advising such clients to invest in foreign stocks or buy funds with exposure to foreign markets. "A parent who plans to send her daughter abroad for education should have about 30% of her equity portfolio in foreign assets," says Deepti Goel, Associate Partner in a Delhi-based financial advisory firm Alpha Capital.

One can open an account with a foreign brokerage house or an Indian entity which facilitates such investments. Many such outfits have mushroomed in the past few months. Leading Indian brokerage houses also have tie-ups with foreign brokers.

It's much simpler to invest in ETFs linked to foreign indices. Motilal Oswal, for instance, has a Nasdaq ETF that is traded on the stock exchanges in India like any other share. All you need is a demat and trading account with a broker. Motilal Oswal S&P 500 Index Fund is an open-ended scheme that replicates the S&P 500 index. You could also invest in mutual funds with some portion of their corpus invested in foreign stocks. For instance, the Parag Parikh Long Term Equity Fund invests almost 25% of its corpus in US stocks, including Amazon, Alphabet and Facebook. But you will have to keep a close watch on these funds and the US markets.

Early bird advantage

Whether you are investing in fixed income schemes or market-linked options, keep one cardinal rule in mind: the earlier you will start, the easier it will be to reach your target. You will not only have to invest less, but won't have to take very high risks with your money. Atul Tater (*see picture*) started saving for his daughter's education when she was only one year old. He bought three life insurance policies that would mature around the time Anoushka was ready for college in 2022. "Fifteen years ago, it wasn't easy putting away ₹3 lakh a year," he says. "But my daughter's education was an important goal for us."

Tater realised that his insurance policies alone will not help. Life insurance companies use absolute returns very effectively by highlighting the huge maturity amounts of traditional endowment policies. The investor misses the impact of inflation. If we assume 5% inflation, in 10 years the purchasing power of ₹10 lakh reduces to ₹6.1 lakh. In 15 years, it is less than ₹5 lakh.

The maturity amounts seemed huge when Tater was buying the insurance policies, but inflation has reduced their purchasing power. So he also invested in a mix of equity and hybrid funds to boost the corpus. Though his investments earned good returns, Tater has been prudent in managing the risk. "The goal is just two years away so I need to reduce exposure to volatile investments," he says. In the past one or two years he has gradually reduced the exposure to equity funds and moved to the safety of debt and liquid funds.

Retired PSU manager G.S. Prasad (*see picture*) is also playing it safe with the ₹25 lakh he has saved for his daughter Sunitha's marriage. "About two years ago I pulled the money out of equities and put it in fixed deposits," says the Bengaluru-based retiree.

Praashvi
2 years, Mumbai

Goal

₹1.16 crore
for higher education in **16 years**

The higher education that Sarika and Rockenjit Sinha plan for their daughter costs ₹25 lakh today but its inflation adjusted value after 16 years will be ₹1.16 crore. They have opened a Sukanya Samriddhi Yojana account recently and will invest ₹1.5 lakh in it every year. Since the goal is long term, they have also started SIPs of ₹12,500 in two equity and one hybrid fund.

Goal

₹2.17 crore
for marriage in **25 years**

The Sinhas are targeting a corpus of ₹2.17 crore (₹40 lakh at today's prices). For this very long term goal, they plan to start SIPs in a couple of equity and hybrid funds. Assuming compounded returns of 9%, they need to invest ₹20,000 per month. If that's high, they can start with ₹12,500 a month and increase by 5% every year.

Anoushka
16 years, Delhi NCR

Goal

₹90 lakh
for higher education in **2 years**

Atul and Preeti Tater started saving for their daughter's education when she was only a year old. They have invested in a mix of traditional life insurance policies and equity mutual funds. Since the goal is coming near, they are gradually shifting their mutual fund corpus from equity schemes to debt and liquid funds.

Enlighten and empower

Apart from saving money for their education and other goals, parents can give something far more valuable to their daughters. They can empower their girls to become

A gift that can change your daughter's life

The latest iPhone, a lavish dinner or an expensive dress won't impact your daughter's life as much as financial literacy can.

PREETY PRUTHI
DIRECTOR, MYMONEYMANTRA

Most women prefer not to get involved in financial decisions and money matters. The financial reins of the average woman are usually in the hands of her male relatives. Before she gets married, her money is handled by her father or brother. After marriage, the husband controls the purse and later, her sons manage her finances Only a small percentage of privileged women in the country have a meaningful say in how and where a household spends and invests.

Who is responsible for keeping women away from the financial affairs of the family? Though boys and girls get the same education at school, why is it that one gender takes charge of money matters while the other quietly steps back? It's a problem rooted in centuries of social conditioning, but it is now high time we break the mould. Financial awareness is one of the most important lessons a parent can impart to her children. No school or college teaches money management skills, so the responsibility is squarely on you as a parent to mould your child's financial future.

A monthly allowance is a good way to get started. Open a bank account in your daughter's name and give her a debit card. Put a fixed amount in the account every month and let her use it for small transactions. A teenager who manages her allowance herself will understand the value of money more effectively. In most cases, once a child is given control, she becomes more careful with money. This is particularly useful in these times of online shopping and food ordering apps.

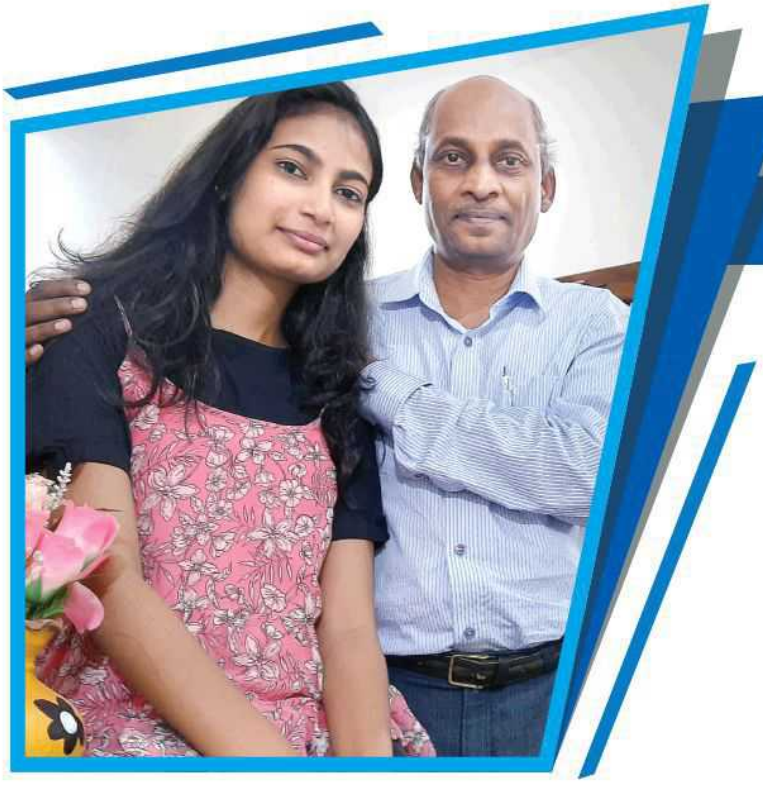
Don't forget to teach your daughter the importance of maintaining privacy of the card details, and also to observe basic safeguards when conducting online transactions. This is critical in light of the recent surge in phishing scams and online frauds. Review and discuss the monthly statements with your teen. All importantly, this process will help monitor your child's preferences and spending patterns.

If your daughter wants an expensive gadget, tell her to start saving for it and offer to put in a matching monthly contribution. So, if she saves ₹1,000 a month and you put in another ₹,000, she would have saved about ₹12,000 in six months. If she falters and misses on a contribution, you also don't contribute anything that month. Soon she will realise that her savings will grow if she contributes regularly. Once she gets into the habit of saving for goals, she will be able to manage her money better.

There is more to money than just saving and spending. Introduce your daughter to the world of investing. Patience is a key factor in financial success, and parents need to develop and inculcate this quality in children. Open a fixed deposit or recurring deposit in her name, thereby demonstrating how the money grows, if kept untouched for long periods. Older children can be introduced to equity investing and mutual funds so that they get acquainted with stocks before that take a plunge in the real world.

You have an opportunity to transform your daughter's financial life by teaching her the basics of personal finance. A child who learns about money management early in life is better prepared for the challenges to follow. The best gift you can give her is not the latest iPhone, a lavish dinner or an expensive dress. Financial literacy and monetary empowerment will be far more durable assets.

The views expressed in the column are personal



Sunitha
25 years, Bengaluru

Goal

₹25 lakh
for marriage **next year**

Retired PSU manager G.S. Prasad started moving out of equities two years ago. His entire portfolio, including the ₹25 lakh needed for his daughter's marriage, is in fixed income instruments. Unlike most parents, Prasad doesn't want his daughters to follow the conservative allocation of his portfolio. Rather, he has advised them to invest in equity funds through SIPs.

self sufficient in handling their finances and managing their investments. "A parent can transform his daughter's financial life by teaching her the basics of personal finance. A child who learns about money management early in life is better prepared for the challenges in the real world," writes Preety Pruthi, Director in MyMoneyMantra (*see guest column*).

Financial empowerment will also help your daughter choose the right investments for her goals. Prasad advises Sunitha on financial matters and has introduced her to equity funds through SIPs. Though he is conservative with his own investments, he is not imposing his choices on her. Indeed, there's no reason why the portfolio of a 25-year-old engineer earning a good salary should mirror that of a retired person. "I am looking for safety at 61. But at 25, her investments should be geared towards long-term growth," he says.

Financial literacy will not only protect your daughter against frauds and misselling, but even safeguard her rights at the workplace and at home. As Pruthi points out, no school or college teaches money management skills, so the responsibility is squarely on you as a parent to mould your child's financial future. Don't keep your daughter away from financial discussion in the family. Make her as much a part of money decisions as anybody else in the family.

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Why momentum investing is not for all

Investors who have no appetite for volatility should avoid this space.

GETTYIMAGES

by **Sanket Dhanorkar**

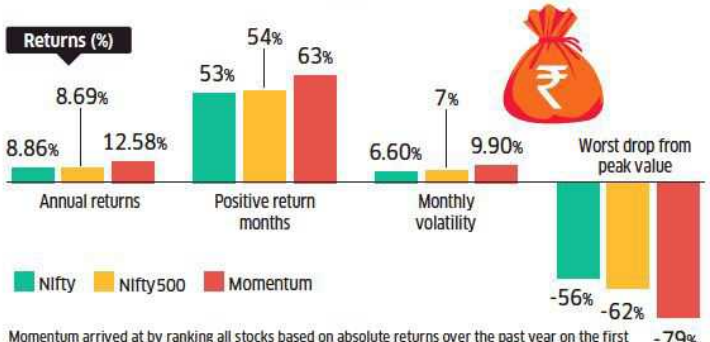
Indian equity investors will soon get a taste of momentum investing. UTI Mutual Fund has filed papers for a first-of-its-kind offering, UTI Momentum Index Fund. Should you get onto the momentum investing bandwagon that has been a phenomenal success in recent years?

Chasing prices

Momentum investing essentially involves buying winners and selling losers. In other words, buying stocks that have been performing the best while weeding out recent laggards. Cut your losses and let your winners run. It is based on the premise that stocks that have gone up (or down) in the recent past will continue to go up (or down) in the near term. As Vidya Bala, Head – Research, *Primeinvestor.in*, points out, "Capturing momentum is all about riding an established trend." This approach is diametrically opposite to value investing—a philosophy that has gained much more prominence. In value investing, investors prefer stocks that are currently trading below their intrinsic value and may have fallen out of favour. The premise here is that since the stocks are already trading at low prices, they offer better margin of safety while potentially offering higher upside over the long run. Momentum investing upends this philosophy to suggest that buying stocks that are in vogue will deliver best results in the near term. It encourages more short-term thinking than the traditional long-term 'buy and hold' approach.

Momentum has offered higher returns but at the cost of increased volatility

Momentum can outperform during a rally, but slump badly during a correction.



Momentum arrived at by ranking all stocks based on absolute returns over the past year on the first trading day of the month, then buying the top 30 stocks in equal weight from this list. Figures pertain to period Jan 2007 to Dec 2019. **Source:** Capitalmind

Does it work?

The numbers speak for themselves. For investors in India, momentum has enjoyed a solid run for over a decade now. The Nifty200 Momentum30 index, which comprises 30 stocks that have delivered highest outperformance has comfortably outperformed the frontline Nifty50 index across time frames. Over the past decade, the Nifty200 Momentum30 index has delivered 14.5% annualised returns even as the Nifty50 index has yielded 6.5%. Over the past five years, the momentum-based index has clocked 13.5% relative to the 7.6% annualised returns of the Nifty50 index. Clearly, the momentum-driven approach has demonstrated outperformance. Existence of momentum is considered a well-established empirical fact with evidence dating back more than 200 years in the US markets. This hard data predates many of the other established investing philosophies. Bala asserts, "Momentum strategy is a tactical ploy in times of a narrow market breadth, as it makes picking stocks easier when company fundamentals do not provide any answers."

Yet, this strategy has not received acclaim among the wider investor community. Unlike the religious following of value investing, this investing style remains on the fringes despite strong evidence in its favour. It remains an alien concept among common investors in India. Arun Kumar, Head – Research, FundsIndia, explains, "Despite being a proven concept, momentum has not gained currency as it involves a lot of churn. Mutual funds have not been able to crack it as this strategy cannot be scaled up at higher base without the incidental costs."

However, this strategy is harnessed effectively by savvy investors. In fact, several fund managers routinely ride the momentum wave to deliver returns to investors. Most fund managers in the country profess to abide by the 'growth at reasonable price' framework—buying stocks that offer high growth visibility without paying through the nose for that perceived growth. This is supplemented with a purported preference for long term. However, many fund managers do have an overlay of momentum in a portion of the fund portfolio. They keep rotating in and out of winners to generate that alpha that investors constantly seek.

Is momentum for you?

Clearly, there is a strong case for momentum investing. However, investors need to exercise caution. Every investing strategy goes through phases. While momentum has enjoyed a strong run for many years now, it should not be construed as a surefire way to create wealth. It has its flipside. While momentum can outperform spectacularly during a market uptick, it tends to hurt equally on the downside when the market corrects. "Momentum is essentially about chasing prices. The problem with this strategy is you don't know when the tide will turn," says Vikas Gupta, Chief Investment Strategist, OmniScience Capital. By the time a downtrend is captured, the damage may already be done.

Data from Capitalmind reveals that a simple momentum strategy yielded 139% return in 2007 and 108% in 2017 when the Nifty50 index only gained 53% and 28% respectively. On the other hand, the momentum strategy registered a loss of 78% in 2008 when the Nifty50 tanked by 51%. While it visibly outperforms over longer time frames, the outperformance comes at the cost of higher volatility and larger drawdowns in the short-term. Investors who cannot stomach this volatility may find it unsuitable.

Experts insist momentum by itself is a risky play, without the backing of fundamentals. Gupta remarks, "The basic flaw in this strategy is that it ignores fundamentals. You keep buying at elevated prices but it will not be long before you find that the emperor was not wearing any clothes."

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Funds that will take care of the balance

Most investors do not need any tool beyond hybrid funds to maintain the asset allocation they need to, says **Dhirendra Kumar**.

DHIRENDRA KUMAR
CEO, VALUE RESEARCH

MONEY MYSTERIES

The best option would be if one could just pick one or two mutual funds and start SIPs, and the funds themselves would do the balancing. Obviously, I'm referring to balanced funds, or as they are more fashionably known now, hybrid funds.

Last month, I had a multi-part discussion in this column about how to arrive upon an ideal equity-debt asset allocation pattern that would suit your investing needs. I had advised against taking either debt or equity in homeopathic doses. Equity provides returns at the expense of stability and debt provides stability at the expense of returns. That's simple to understand. When you appreciate that, it should also be self-evident that injecting a tiny bit of debt in a largely equity portfolio, or doing the opposite serves no purpose. There has to be enough of either to actually make a difference.

There are a few exceptions. For one, young people who have just started investing may choose to stay 100% in equity because that's a point in life when extra volatility should not matter that much. However, as you get on with the business of life, you should have higher and higher fixed income exposure. Still, there's no point in letting things get too complex. I'd recommended that it's best to think of two simple levels: 1/3rd and 2/3rd. You're either at a stage of life when 1/3rd equity and 2/3rd fixed income is about right, or you're at a stage when 1/3rd fixed income and 2/3rd equity is about right.

There's no point overthinking this, nor is there much point in trying to fine tune it precisely. If you want 1/3rd debt and as the markets move, it goes down to 30% instead of 33%, it does not mean that urgent and immediate action has to be taken. You need to correct it but too much involvement in one's investments is as bad as none at all.

The best option would be if one could just pick one or two mutual funds and start SIPs, and the funds themselves would do the balancing. Obviously, I'm referring to balanced funds, or as they are more fashionably known now, hybrid funds. After Sebi formalised different categories of funds in June 2018, we have several categories of hybrid funds that can fit the three levels of asset allocations. It's not a precise match to the levels I have specified since they are all specified to be in a range, but they will do the job.

The three major categories of hybrid mutual funds, under which an adequate number of funds are available, are the following, with the range of equity percentages allowed given with each: Conservative Hybrid (10-25), Balanced Hybrid (40-60) and Aggressive Hybrid (65-80). There are some caveats with each, and you must do your research on Value Research Online before making your choices. A good starting point is at *https://bit.ly/fundcat*.

You will find that within the ranges specified, individual fund managers have different approaches but even so, it's not hard to find a set of funds that satisfy the asset allocation level that you have decided for yourself.

Once you have chosen such funds, you would of course start SIPs in them. As time goes by, you should obviously keep an eye on the overall asset allocation of your portfolio. Doesn't that bring back some complexity into your investments? It would, but only if you don't use a tool like 'My Investments' on Value Research Online. Using 'My Investments', you can upload your fund statements and then track your changing asset allocation with zero effort. You don't need to do it every day—just once every two or three months is enough. It's a lot less work than investing in different types of stocks and funds and then doing the fine-tuning manually.

When things go seriously out of whack, you will have to increase investing in some funds and decrease in other funds. Similarly, as life goes on and your needs change you will at some point gradually shift your asset allocation to a more conservative or (maybe) aggressive level.

With a systematic and conceptually clear approach like this, managing an entire lifecycle of investments can be quite low-effort and simple.

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"Multi-cap funds have to differ from large-cap funds"

Though a flexi-cap category will provide some flexibility to fund managers, it would be confusing for investors as they will not know what they are getting into, Manish Gunwani tells **Sanket Dhanorkar**.

Manish Gunwani
CIO, Equity Investments, Nippon India Mutual Fund

Do you feel the market is entering a consolidation phase after the sharp run up?
The market ran up a lot from its March lows, almost without any intermittent correction. When the market gets overheated in the short term, corrections come about naturally. A part of the disappointment is coming from global, apart from domestic factors. The resurgence of the virus in Europe and failure in the US to get the fiscal stimulus bill passed are raising doubts about expected global economic recovery. Along with the uncertainty around US Presidential elections, investors are taking some profits off the table. On the domestic front, the virus issue is much deeper than we anticipated. It is taking longer for us to flatten the curve. Some consolidation or correction is healthy as the frontline index was getting expensive.

Is there any sanctity to frontline index valuations given that the run-up has been powered only by a few stocks?
A lot of index re-rating has come from price-earnings multiple expansion rather than earnings outpacing expectations. The broader market appears more attractive right now. It can provide a three to five years earnings upcycle, considering we have already seen a seven to eight years earnings downcycle. This space has more opportunities since it has been correcting since January 2018.

How is the mid- and small-cap basket faring in the current turmoil?
A lot of pain in the economy is in the SME segment and among mid-low tier players. Their ability to withstand this turbulence is limited with no balance sheet strength, lack of funding etc. We are definitely seeing consolidation of profit pools across industries, where top players are getting bigger share of the pie. But the listed mid and small-cap names are also among the top players in their own right within their respective areas. These are not really getting hurt. For the next 4-5 years, a lot of companies in auto ancillaries, cement and industrials in the mid-cap space can see strong earnings growth if recovery picks up.

"When the market gets overheated in the short term, corrections come about naturally."

Any pockets have surprised positively on earnings resilience amid the pandemic?
Consumer staples and other essentials like pharma were expected to do well and those have reported good numbers. But earnings have genuinely surprised in the IT sector. Earnings and commentary have been better than expected. Even among consumer durables, automobiles and FMCG, may companies have surprised not on the revenue front but margins. With cost containment, managements have been very agile.

Nippon India Multi Cap offers diversification across market caps, along the lines drawn by Sebi. Is this by design? Will it continue with the same mandate?
For many years, we have maintained that a multi-cap fund has to be different from a large-cap fund. It needs to have a mix of stocks across the market cap spectrum. That is the way to go forward and we will continue with the same mandate.

Are you in favour of redefining the investible universe for other categories? Will a flexi-cap category make sense?
After the recategorisation in 2018, several adjustments were needed. But I don't think the current set up needs a big overhaul at this time. In isolation maybe one can argue that the investible universe is restrictive for the mid-cap category, but if you relax one category, you will encroach on other categories. A mid-cap fund manager will probably want the basket of 150 stocks to be widened to 200, but the small-cap fund managers' opportunity set will decrease. Now that things have stabilised, we don't see any compelling reason to drastically alter the norms.

A separate flexi cap category will definitely afford a lot of flexibility. But the entire point of categorisation was to have certain boundaries for every category so that the returns don't deviate from what the investor expects. From that perspective, a flexi-cap category may provide some challenges as investors don't know what they are getting into. It is up to the regulator to see how it aligns with the existing framework.

How will Nippon India Large Cap improve its return profile after sharp underperformance in recent years?
A part of the underperformance is owing to this unprecedented crisis. A lot of the stocks in the fund were in sectors which got impacted directly like hotels, retail etc. It just happened that the crisis hit these sectors that were coming out of a long downcycle. These are otherwise very strong enterprises and industry leaders. It is just that the Covid crisis come out of the blue and affected a lot of stocks in that fund. We are trying to introspect about the overall risk management. We do believe the portfolio was too cyclical. We think the fair values of the companies in the portfolio are much above the current prices. The earnings may not flow through quickly but we are sure that this portfolio has great value from medium-long term perspective and will make a comeback as the economy recovers. A lot of these stocks can deliver healthy return over 2-3 years.

Should investors moderate return expectations going forward?
Corporate earnings and nominal GDP will move together as will the market and corporate earnings. It seems inflation will remain low. When inflation is low, nominal GDP growth will also be low. Over the last 30 years, Sensex has delivered 14-15%, when consumer inflation was at 8-9%. For the next 5-10 years, the frontline large cap index will track nominal GDP growth of 10-11%. The broader market should give better return over the next two or three years.

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NEWS IN BRIEF

Axis Global Alpha Equity FoF mobilises ₹12,000 crore

The new fund offer of Axis Global Alpha Equity Fund of Fund has mobilised ₹1,200 crore with about 70,000 applications. The new fund offer closed on 18 September and will reopen for subscriptions from 29 September. Financial planners believe the need for geographical diversication is one of the reasons why many investors have put in money in the NFO. Since this is a fund of fund it will invest in Schroders ISF Global Equity Alpha Fund, a 15-year-old existing fund with assets of $1.6 billion.

UTI Mutual Fund IPO

The country's oldest fund house UTI Mutual Fund has said its ₹2,150-crore IPO will open on 29 September. Mazagon Dock Shipbuilders's ₹444-crore offer will also open on the same day. Last week, Angel Broking's ₹600-crore IPO closed after being oversubscribed four times.

PE stake in property falls

Private equity investment in Indian real estate plunged 85% during January-August at $866 million (around ₹6,500 crore) as investors remained cautious due to the Covid-19 pandemic, according to Colliers International and FICCI report.

Indians now careful with cash, says survey

Pandemic forces changes in overall spending habits.

Even as Indians increase their spending with the easing of lockdowns, over 90% of respondents in a survey conducted by Standard Chartered Bank have said the pandemic has made them more careful with expenditure.

Indians are being increasingly careful with money despite 56% of them reporting a spike in spending in July. According to the survey, 76% of respondents in India said that the economic impact of Covid-19 has made them more likely to track their spending. Over 80% are either using or are interested in using budgeting tools or tools that block card-spend over specified limits, says the survey. They also want new ways to track their money digitally even as a vast majority of 78% of the Indian respondents say they will shop more online while the global average is only around two-thirds.

The study of 12,000 adults across 12 markets — Hong Kong, India, Indonesia, Kenya, Mainland China, Malaysia, Pakistan, Singapore, Taiwan, the UAE, the UK and the US — is the second in a three part series.

Another area where India topped the list among positive responses was in cashless spending with 87% of respondents saying that the country will go cashless in five years. In India, 64% of people say they have spent less on travel/ holidays than they did before the pandemic, while 30% have spent

less on experiences and 56% have spent less on clothes.

Consumers around the world, including in India, are now spending more on basics such as groceries and healthcare and digital devices than they did prior to the pandemic, and they expect this increase to continue in the future. Also, Indians are more likely to shop conscientiously than the average global consumers as over two-thirds say they are now more likely to shop locally (72%), more sustainably sourced products (69%) and with small businesses (73%).

Bank to give FD payout in EMIs

Debtor moving the court for an equated monthly instalment (EMI) option to pay off loans declared as non-performing assets is common. Now, a bank has sought EMI facility to return fixed deposits, and the Kerala high court has allowed it.

The Pattanakkad Service Cooperative Bank near Cherthala was responding to a petition filed by an investor, Divya Prakash of Pattanakkad, questioning the bank's refusal to return the fixed deposits she made in 2013. Admitting the veracity of fixed deposit receipts produced by the petitioner and liability, the bank's counsel sought the court's permission to repay the amount in 10 EMIs citing financial constraints. The court directed the bank to repay the amount covered under eight FD receipts in 10 EMIs from 10 October.

The petitioner's counsel said the bank was in financial trouble, allegedly due to mismanagement.

'Lone Wolf' emerges as Asia's second richest

A bottled water and vaccine tycoon became China's wealthiest person in a week also marked by massive losses among the world's tech elite.

Zhong Shanshan's net worth reached $58.7 billion last Wednesday, $2 billion more than Jack Ma's, according to the Bloomberg Billionaires Index. Zhong is now Asia's second-richest person, behind India's Mukesh Ambani, and is the 17th wealthiest in the world.

Nicknamed "Lone Wolf" for his eschewing of politics and clubby business groups, Zhong's fortune has jumped $51.9 billion in 2020, more than anyone else in the world except Amazon.com Inc's Jeff Bezos and Tesla Inc's Elon Musk. Both suffered heavy declines as tech stocks stumbled and Tesla plunged after its "Battery Day" event fell short of expectations. Musk's fortune dropped by almost $10 billion.

The initial public offering of bottled-water company Nongfu Spring Co— which turned out to be Hong Kong's most popular among retail investors —propelled Zhong to China's top three richest earlier this month. That came after the April listing of vaccine maker Beijing Wantai Biological Pharmacy Enterprise Co pushed his net worth to $20 billion by early August.

Zhong now leads a wealth ranking in China that is typically dominated by people who made their fortunes from tech companies. While Zhong has surpassed Ma as China's wealthiest, the tech tycoon might soon regain the top spot, which he's held for most of the past six years after Alibaba went public in the US.

PRODUCT LAUNCHES

Banking

DCB Bank has launched DCB Health Plus Fixed Deposit. It offers an attractive 6.90% annual interest on a 700-day FD along with free medical services and healthcare benefits. **Benefits include teleconsultation and face-to-face appointments with empanelled general physicians, specialists and emergency services.**

IDFC FIRST Bank is launching SafePay, a digital facility that allows contactless debit card payments by waving one's smartphone against a Near Field Communication (NFC)-enabled POS terminal. **The feature has been tested successfully and certified by Visa.**

SBI Card has tied up with Google to enable cardholders to use their SBI credit cards on the Google Pay platform through their Android phones. Cardholders can make payments via tap and pay at NFC-enabled PoS terminals, by scanning Bharat QR code at the merchant outlet and online without using the physical card. **Cardholders have to register on the Google Pay platform.**

Insurance

IndiaFirst Life Insurance has launched an initiative to process death claims within one working day from the date of submission of all mandatory documents. **This service is applicable for all individual life policies, which have been active for previous three consecutive years, and can be availed of by the nominee after submitting the documents at any IndiaFirst Life branch.**

Liberty General Insurance has launched HealthPrime Connect. It offers life-long renewal benefit and sum insured option of up to ₹1 crore with no sub-limits, no co-pays and no room rent capping. It comes in three variants. **It also offers restore benefit cover, accrued cumulative bonus and emergency worldwide coverage.**

Bajaj Finance is offering Covid-19 Protection Cover, insuring hospitalisation expenses incurred due to Covid subject to terms, conditions and exclusions. Premium starts at ₹952, offering a coverage of ₹50,000 for one year. The cover also comes at premiums of ₹1,339, ₹1,402 and ₹1,469 offering a maximum coverage of ₹1 lakh, ₹1.5 lakh and ₹2 lakh, respectively, for a year. The plan offers coverage for hospitalisation expenses for a minimum period of 24 hours.

Dealing with sudden setbacks

A job loss can be crippling, but it is a temporary blip that can be overcome, says **Uma Shashikant.**

GETTY IMAGES

UMA SHASHIKANT
IS CHAIRPERSON, CENTRE FOR INVESTMENT EDUCATION AND LEARNING

View this as a temporary setback. While building a life and career around a salaried job, the ups and downs that come with movement of the job from one place to another are inevitable. It is important to take it in one's stride.

Anand and Lakshmi are a young couple with two children who have to make a very tough decision. They are on a temporary work visa in the US and Anand has unexpectedly lost his job in the Covid crisis. He has to find another job in six months, or they have to leave the country.

Many who come to the US on a work visa hope to stay back and get a Green Card some day. But given the country-wise limits on the number of cards issued, the queue for Indian applications is long. But many do not lose hope. They renew their visa status and continue.

The personal finance situation gets complicated by a few other factors. Among them are house ownership and children's education. In a bid to save the rental outgo, many immigrants choose to buy a house instead. Since interest rates are low and the process for buying a house is quite streamlined, many take a loan and buy a house.

Since they hope to raise the family in the US, many like Anand and Lakshmi have children that were born there. These children have US citizenship due to their birth there and study at the local public schools at a low cost.

Losing the job upsets all of this severely. Young families like Anand's do not have much saving to fall back on. They have a modest salary, and pay a stiff tax on their income. One family trip to India or a sponsored trip of relatives from India is enough to wipe off the year's savings. They sometimes fall into debt if they have to make multiple trips when someone in the family is ill.

How would Anand rearrange his life?

First, trying to get another job is in their mind, but these are not easy times. They must give themselves a reasonable time, say three months, to find an alternative job. If that does not work out, they should prepare to relocate to India. Breaking the law and overstaying an expired visa are actions that will impact their future applications for resident status in the US. It is better to return with a valid work visa again if a job opportunity presents itself.

Second, they should view this as a temporary setback. While building a life and career around a salaried job, the ups and downs that come with movement of the job from one place to another are inevitable. It is important to take it in one's stride and be willing to reorganise life and work as change happens. That agility will turn out to be a great strength going forward. Mentally allow a six month transition from this crisis, and work towards finding another job, wherever else in the world it may be available.

Third, they have to make the painful decision of liquidating their assets. It is better to have a plan on hand to dispose of the house, cars, household furniture and other objects. There is a market for used items and it is sensible to focus on recovery of locked money rather than paying the costs of transporting stuff. They can start over in the new place if they have money on hand. Making a systematic plan for selling will get better results than a distress sale.

Fourth, tapping into assets that are back home during times like these is important. Anand had purchased a flat when he was working in India. That flat is now on rent. His father also earmarked a smaller flat for him as a proposed bequest in his home town. These properties are large chunky assets that can fund a period of loss of income for the young family. They can always build assets back once they are back on their feet. Use them now when most needed.

Fifth, the mental stress and possible depression about losing a comfortable life and stepping into uncertainty with young children in tow, can be painful. Anand and Lakshmi need all the support they can get from friends and family. They have to ask for and draw that support, rather than withdrawing into a shell. A few confidants in the family and friend circles should know their true position, be able to stand by and help, and offer support as sounding boards and wise voices of counsel. They can save themselves from making desperate decisions when they find support and wise counsel.

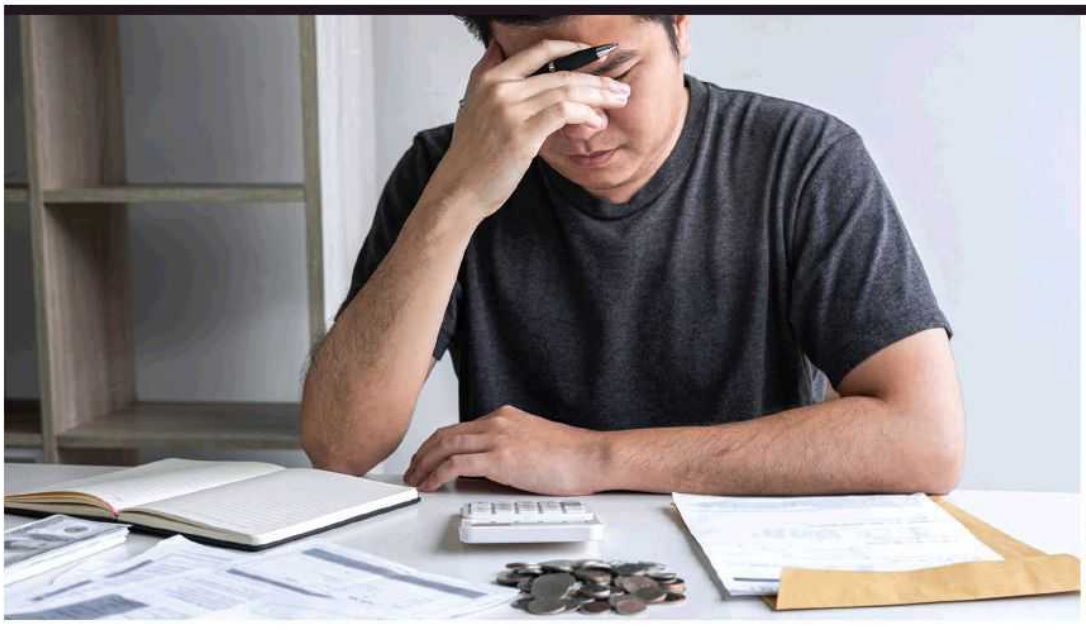
Sixth, beginning again can be tough in these times. If Anand decides to return to India and turn entrepreneur, as has been the thought in his mind, he must consider the prolonged period of risky incomes a venture can bring. If Lakshmi is able to go to work, that will support the family's finances. Drawing from the local support system offered by parents and friends, they must focus on the basics first—a place to live, good schooling for the children, and adequate cash flow to keep the family's essential expenses covered. Don't worry about anything else until your feet is firmly planted in the new environment.

Seventh, the focus in money management in an uncertain environment should be to preserve and to draw sensibly. The four pillars of personal finance—income, expense, investing and assets—must be redefined given the current situation. Income cannot be left to be in risk for too long. A job loss is loss of income. It must be replenished soon. Expenses must be limited to the minimum. Absolutely no borrowing or debt. Investing takes a backseat. Surpluses may be tough to generate. Assets will be drawn upon and used to substitute income until matters stabilise.

Eighth, a sense of priority must drive decisions. If assets such as jewellery or bonds must be sold, it should be done without much ado, and the confidence that eventually it will all be built back. If a simpler home or a less glamorous job has to be chosen, it should be done to anchor the income in place. Do not allow societal pressures to dictate how these decisions are made. Worse, do not succumb to abstract notions of honour that stop sensible financial decisions from being made.

Given the precarious state of their finances and the uncertainty around their future, Lakshmi and Anand must make their decisions with the understanding that this too shall pass. It is tough when it happens, but such challenges are what makes us the humans we eventually become.

Please send your feedback to etwealth@timesgroup.com



GETTY IMAGES

Spend cautiously to sail through the pandemic

Avoid discretionary expenses and focus on essential spending.

Covid-19 has thrown life out of gear. It has pushed the entire nation into lockdowns, affected industries, crushed value chains and stressed household finances. Unemployment has risen to unprecedented levels globally. Ashish's personal finances will not be immune to this crisis. He is a senior management professional who was a consultant with the hotel industry until recently. Now, his financial situation has turned unstable. He has credit card bills and EMIs to pay and other routine bill payments that need to be taken care of. Fortunately, he has managed so far, thanks to the emergency fund he had built over the past few years. However, with no relief in sight, Ashish is now worried and wonders how he should prioritise his funds.

Ashish must realise that smart money management is critical for survival through this period. This is the time to exercise care with liquidity and household budget. The family shouldn't be frivolous with the cash. They must keep money handy and spend very carefully. They must be careful enough to not use this fund for discretionary or lifestyle expenses such as shopping or entertainment.

He may want unrestricted access to his cash saved in the banks in the form of savings, FDs or RDs. He should avoid doing that. Also, between him and his family members as account holders, he must split the liquidity among two banks in case one bank goes temporarily into moratorium. Given the situation of the economy, he must rely on banks with low NPAs and a good track record. They are currently his best bet.

Ashish must take a call to liquidate his assets and investments in an orderly manner, if necessary. Further, he must churn his portfolio to move towards assets that provide liquidity/cash flow (deposits, bonds, equity) in the short term and refrain from piling up gold. In fact, partial gold holdings could be liquidated as well to benefit from the steep rise in prices. He must bear in mind the tax implications of the liquidation as well as the costs of liquidation such as penalties or exit loads.

The situation calls for calm-headed decisions that will help him fortify household finances and enable the family to emerge from the crisis unharmed. The family must focus on essential spending necessary for survival, safety and good health. It may be a while before the global economy rebounds. Therefore, live frugally and plan the spending carefully.

Content on this page is courtesy Centre for Investment Education and Learning (CIEL). Contributions by Girija Gadre, Arti Bhargava and Labdhi Mehta.

SMART THINGS TO KNOW

Data mentioned in Form 26AS

1. Information regarding Tax Deducted at Source for all income and Tax Collected at Source wherever applicable
2. Information related to specified financial transactions from 'specified persons', mutual funds, banks, bond issuers etc.
3. Information related to income-tax payments such as advance tax and self-assessment tax paid by the taxpayer.
4. Information regarding tax demands and tax refunds by the IT department.
5. Information related to pending and completed income tax proceedings.

PAPER WORK

:: Maturing PPF account

A Public Provident Fund (PPF) account has a maturity period of 15 years and investments up to ₹1.5 lakh every financial year are applicable for tax deduction. The PPF maturity amount is also tax-free. So, it is recommended that one weighs the options carefully while dealing with a maturing PPF account.

Three choices

At the time of maturity, you have three choices:

- Closure of the account
- Extension for a block of 5 years
- Continue the account without any new contribution

Close the account

If an account holder needs the funds immediately, he can choose this option. One can get the maturity proceeds transferred to his savings account by submitting an application to the bank or post office in the prescribed format with details of PPF and savings accounts. The original passbook and a cancelled cheque must be submitted along with the signed form.

Extend the account

If the funds are not needed immediately, an account holder can choose to use PPF as a tax saving tool and continue investing in the account by applying for extension. Provided for a block of five years, extensions can be taken as many times as one wishes to. A form prescribed for extension must be filled and submitted to the post office within one year of maturity of the account.

Continue the account

If the account holder does not need the funds immediately and wants it to earn tax-free interest, without making any further contributions, he/she still has the option to withdraw the funds subject to one withdrawal each financial year of any amount. This is a default option and does not need any paperwork.

:: Point to note

- Maturity date of PPF account is reckoned as 15 years from the end of the financial year in which the account was opened. Hence the maturity date will always fall in the month of April.

The Economic Times wealth

PLANNING A DOMESTIC HOLIDAY? CHECK GUIDELINES...

As you celebrate World Tourism Day on 27 September by taking a much deserved vacation, find out about the travel and other restrictions in place in different states.

by **Riju Mehta**

On 29 August, under Unlock 4.0, the Central government issued guidelines across the country, removing restrictions on movement of people across and within all states, except in containment zones. The Ministry of Home Affairs, under the provisions of the Disaster Management Act, 2005, stated that no separate permission or e-permits will be required to move between states. State governments are not allowed to impose lockdowns in regions that are not under containment zones without the Centre's approval.

Nevertheless, some states have imposed restrictions in keeping with the specific Covid-related situation there. While many states have done away with e-passes, online registration and Covid-negative reports, arrival at all airports will entail thermal screening. If you test Covid-positive, quarantine will follow as per the state protocol. Bookings at hotels are being permitted with strict safety guidelines. So before you pack your bags, remember to check the travel status at your destination.

J&K

- Covid-19 antigen test is mandatory. Air/rail travellers to undergo 14-day home quarantine if they have valid phone no. with Aarogya Setu app. Road travellers 14-day administrative/institutional quarantine till negative report.

HIMACHAL PRADESH

- Tourists don't need to get registered on the state's official website or submit a Covid-negative report to enter the state.
- Inter-state buses to remain suspended.
- Kinnaur and Spiti Valley have chosen to shut all tourism-related activities till end-October.
- Tourists must download Aarogya Setu app.
- Tourists on highways will no longer need to halt only at designated places.

UTTARAKHAND

- Registration on web portal, *www.smartcitydehradun.uk.gov.in*, is mandatory for outsiders to enter the state.
- Tourists no longer need to book a mandatory two-day stay or produce a Covid-19 negative report for visiting the state.
- Tourists from cities with high number of cases will undergo 14 days of quarantine, seven days in an institution and seven days at home. Senior citizens and pregnant women are exempt from institutional quarantine.
- Thermal screening mandatory at all border checkposts, airport, railway stations and border district bus stands. If found symptomatic, antigen test will be conducted. If positive, appropriate SOP will be followed.
- Visitors must download the Aarogya Setu app, wear masks and observe social distancing in public.

JHARKHAND

- No inter-state buses to ply.
- Hotels, lodges, restaurants to reopen.
- All persons visiting Jharkhand by rail, air, road shall register their personal details on government website *www.jharkhandtravel.nic.in* not later than the day of arrival.
- All visitors shall undertake 14-day home quarantine.

ARUNACHAL PRADESH

- Travellers entering the state will be tested for Covid-19 by rapid antigen test at the state's check gates and helipads.
- If testing positive, they will be subject to 14-day home or institutional quarantine as per state government rules.
- No travel restrictions within the state.

ASSAM

- No restriction on inter- or intra-state travel.
- Persons returning to state in 96 hours will have to take an antigen test. If positive, they will undergo 10-day quarantine as per protocol. If negative, swab test will be conducted and they will remain in isolation till test result.

UTTAR PRADESH

- Thermal screening at airports followed by 14-day quarantine for domestic passengers. If exiting within seven days, no quarantine subject to validation of return or onward travel.

RAJASTHAN

- All inter- and intra-state travel permitted.
- Section 144 of CrPC imposed in 11 districts prohibiting assembly of more than five people. These include Jaipur, Jodhpur, Kota, Ajmer, Alwar, Bhilwara, Bikaner, Udaipur, Sikar, Pali and Nagaur.
- All commercial vehicles, including cabs, buses, auto-rickshaws allowed to ply.
- Passengers in any vehicle not to exceed permissible seating capacity.

GUJARAT

- Thermal screening at Ahmedabad, Bhavnagar, Porbandar airports. No quarantine.
- Buses in Ahmedabad and Surat to operate at 50% capacity; in other areas, at 60% capacity.

WEST BENGAL

- Restrictions on flights and only special trains allowed to operate.

MEGHALAYA

- All borders sealed, inter-state travel prohibited. It's likely to continue till November.
- All returnees to undertake antigen test. If negative, 10-day home quarantine. If positive, passengers to be shifted to Covid facility.

SIKKIM

- Hotels, homestays and other tourism-related services to restart from 10 October.
- Bookings for hotels and homestays to start from 27 September.
- Border with West Bengal to open from 1 October.

MAHARASHTRA

- Inter-state travel remains suspended.
- Hotels and lodges to operate at 100% capacity.
- No restrictions on inter-district travel in the state.

CHHATTISGARH

- No e-pass needed for inter- or intra-state travel.
- 14-day quarantine for people from other states continues.
- Various districts and urban areas, including Raipur, have been declared containment zones.

GOA

- Travellers from other states no longer need to be tested on arrival, carry an e-pass, Covid-negative report, or undergo isolation.
- Bars are allowed to open and serve customers after following safety guidelines.
- Beach shacks and casinos will continue to remain closed.

KARNATAKA

- No mandatory quarantine for 14 days for people visiting from other states.
- Tourists also don't need to register themselves on the Seva Sindhu portal.

KERALA

- Tourists have to register on Covid-19 Jagratha portal, which will get automatic approval and act as entry pass. If they don't register, their names and other details will be entered at border crossing.
- Home quarantine of 14 days for those coming from abroad and for those on a long visit of more than seven days.

TAMIL NADU

- E-pass is mandatory for those coming from other states via train, flight or road, but not for people travelling within the state.
- Tourists to Kodaikanal, Nilgiris and Yercaud will need to have relevant e-passes from the district collector.
- Clubs, hotels, resorts will function with SOPs.
- Chennai airport will handle 50 flight arrivals per day in September.

MIZORAM

- Inter-state travel is only through Vairengte, Bairabi and Kanhmun.
- Passenger flights only on Mondays, Thursdays and Saturdays.
- Night curfew to continue between 8.30 pm and 4.30 am on all days.

ANDHRA PRADESH

- 14-day home quarantine for people coming from Telangana and Karnataka.
- No other inter-state travel restrictions.

Note: Unlock 4.0 to remain in place till 30 September. Due to space constraint, not all states have been covered. The ones not covered have very few or no restrictions other than thermal screening at airports followed by quarantine as per state protocol.

your queries

Our panel of experts will answer questions related to any aspect of personal finance. If you have a query, mail it to us right away.

I am 30. After repaying all my loans, I am saving ₹80,000 per month. However, I don't know where to invest this money. So far I have only invested in FDs, tax saver FDs and PPF. Please advise.

You have not mentioned whether this investment is attached to any financial goals, how much you would like to invest, how long you would remain invested for and how much risk you can bear. Considering your young age, we are assuming your risk profile will be aggressive and you can stay invested for at least 7-10 years. You may create a pure equity-oriented portfolio comprising domestic and US equity funds. You can equally divide your monthly investment amount between Mirae Asset Large Cap, Canara Robeco Emerging Equities, IIFL Focused Equity and UTI Value Opportunities. Franklin India Feeder – Franklin US Opportunities Fund can be considered in the US equity category. This way your portfolio will be diversified across category and geography. It is also advisable to review your portfolio at least once a year.

Rajiv Bajaj
Chairman & MD, Bajaj Capital

I am a pensioner with income from saving schemes as well. I have been submitting ITR-1 all these years. During 2019-20 there have been two additions to the income. I have made deposits in SCSS and PMVVY in the name of my wife. Interest from these will be clubbed with my income. I also have made STCG from mutual funds. I am a joint owner with my brother in an ancestral property in which we live. I have no other property. Which ITR form should be used to file returns for AY 20-21?

Selecting the appropriate form is crucial in the tax return filing process. The form selection is dependent upon the nature of incomes earned. Among the incomes stated by you, you have mentioned that you have made short term capital gains from mutual funds. This income can't be reported in ITR-1. Hence, for AY 2020-21, you will have to file your tax return in ITR-2. Further, individuals/HUFs whose taxable income exceeds ₹50 lakh, are required to furnish details of assets and liabilities (even if held jointly) in Schedule AL.

Amit Maheshwari
Partner, AKM Global

I am a 76-year-old retired soldier. I want to invest a lump sum of ₹5 lakh in mutual funds for three to five years. Where should I invest this money?

If you are looking for income from this lump sum and can lock in seven years, please consider the RBI floating rate bond instead of mutual funds. If your time frame is shorter, or you don't need income, consider 30% in FDs for 12-18 months and renew them at a higher rate when rates go up. Add 50-60% in quality ultra short debt and banking & PSU debt funds if you are familiar with debt funds and about 10-20% in any Nifty index fund.

Vidya Bala, Co-Founder, PrimeInvestor.in

QUESTION OF THE WEEK

I booked an under-construction property in Hyderabad in February and it is supposed to be handed over to me by January 2023. I took a ₹52 lakh home loan for 20 years at an interest rate of 6.98% (floating). However, I want to repay my loan in 12 years. How much should I invest in mutual funds through SIPs to build a corpus enough to repay the balance home loan amount? Which mutual funds will you suggest for 12 years with moderate risk?

Your outstanding home loan towards the end of 12th year of availing loan at constant interest rate of 7% would be around ₹30 lakh. However, your home loan is a floating rate loan and there can be multiple interest rate regime changes, both rising and falling, during the 12 year time frame. Hence, I suggest you aim for a prepayment corpus of at least ₹35 lakh, to be on the safe side. Assuming a 10% annualised rate of return from equity funds, you will need to invest ₹13,000 per month through SIPs. You can invest in direct plans of any of these large cap funds—Mirae Asset Large Cap, Axis Bluechip, IDFC Large Cap and ICICI Prudential Bluechip—to build your home loan prepayment portfolio. Investing in direct plans would fetch you higher returns. If possible, top up your SIPs in large-cap funds with lump sum investments in case of steep market corrections. Doing so will fetch you more units at attractive valuations and help you create your target corpus sooner.

Naveen Kukreja
CEO and Co-Founder, Paisabazaar.com

I want to invest ₹7,000 per month. I intend to build this as an emergency fund. It should be liquid and earn better returns than conventional FDs. Please suggest a suitable fund.

An emergency fund ensures that you have the requisite liquidity for a rainy day. It also insulates your long-term investments from unplanned withdrawals. Your contingency fund should cover a minimum of six months' expenses, including EMIs as well as monthly investments. Based on your job profile and other liabilities, you can even maintain a corpus for one year or more. Liquid funds are among the preferred option for parking your emergency cash. However, if you are looking for slightly better returns with sufficient liquidity and ease, you can consider the ultra-short term debt funds. The portfolio of a liquid fund has a maturity up to 91 days while that of ultra-short duration debt mutual funds is between 3-6 months. Thus, ultra-short term funds come with a slightly higher element of risk. Any category of debt funds becomes eligible for indexation benefit after three-years, which make them tax-efficient. You can choose a scheme from a credible fund house. Avoid moving out of these two suggested categories in search of better returns for parking your emergency corpus since that will expose you to higher level of interest rate and default risks.

Prableen Bajpai
Founder FinFix® Research & Analytics

I booked a flat in 2018 and the possession is due in April 2022. After initially paying pre-EMI, I started paying the EMI from October 2019. I understand that the tax benefit on the interest component of the home loan can be availed once I receive possession. However, can I avail tax benefit for the principal component of the loan for this financial year under Section 80C?

Yes, the principal portion of the EMI paid for the year is allowed as deduction under Section 80C in the year of payment. The property should not be sold within five years of possession. Otherwise, the deduction claimed earlier will be added back to your income in the year of sale. This deduction will be within the overall limit of ₹1.5 lakh mandated for 80C. The interest portion of construction period can be claimed only once you avail possession. It can be claimed in five equal instalments starting from the year of in which you received possession.

Shubham Agrawal
Senior Taxation Advisor, TaxFile.in

Ask our experts

Have a question for the experts?
etwealth@timesgroup.com

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SMART STATS

ET WEALTH TOP 50 STOCKS

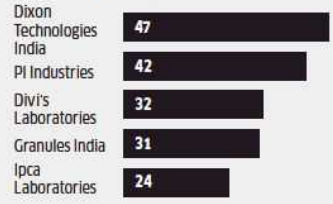
Every week we put about 3,000 stocks through four key filters and rate them on a mix of factors. The end result of this is the listing of the top 50 stocks based on the composite rating to help ease your fortune hunt.

	RANK		PRICE ₹	GROWTH%*		VALUATION RATIOS				RISK		RATING	
	Current Rank	Previous Rank	Stock Price	Revenue	Net Profit	PE	PB	Div Yield	PEG	Downside Risk	Bear Beta	No. of Analysts	Consensus Rating
Tata Power Co	1	4	50.45	11.07	29.15	9.73	0.71	2.90	0.42	2.05	0.69	19	4.53
Cipla	2	1	732.80	16.12	51.91	38.90	3.82	0.52	0.75	1.45	0.33	41	4.54
NTPC	3	2	82.65	6.83	18.47	7.14	0.70	3.70	0.38	1.56	0.73	27	4.93
UPL	4	3	505.15	11.41	44.28	22.26	2.05	1.13	0.49	2.30	1.26	35	4.77
Dilip Buildcon	5	5	332.90	21.46	128.53	11.29	1.43	0.29	0.09	2.42	1.16	14	4.29
Power Grid Corp	6	6	159.35	8.50	11.38	9.03	1.31	6.10	0.89	1.49	0.60	26	4.69
Dr Reddy's Laboratories	7	7	5,027.40	15.93	49.24	43.37	5.47	0.49	0.85	1.25	0.36	45	4.11
CCL Products India	8	12	250.90	14.72	21.93	20.05	3.58	1.99	0.93	2.00	0.83	12	4.75
Ipca Laboratories	9	9	2,070.20	23.94	76.09	42.99	7.18	0.23	0.59	1.68	0.17	23	4.22
Essel Propack	10	17	241.65	16.68	38.82	37.12	5.02	1.38	0.96	2.25	0.76	13	4.77
Coromandel International	11	13	795.30	14.67	25.23	20.96	5.18	1.52	0.84	1.59	0.74	16	4.44
Britannia Industries	12	14	3,612.75	22.67	38.51	62.34	19.87	4.58	1.65	1.56	0.76	41	4.22
Dhanuka Agritech	13	15	767.80	21.08	31.50	25.79	5.15	1.57	0.81	2.10	0.75	16	3.88
Alkem Laboratories	14	16	2,788.45	15.33	30.60	28.86	5.28	0.91	1.07	1.50	0.39	24	4.04
Aurobindo Pharma	15	18	743.35	14.06	19.59	15.55	2.62	0.38	0.77	2.88	0.94	34	4.47
Natco Pharma	16	10	851.95	22.67	32.81	34.19	4.18	0.90	1.03	1.62	0.60	16	3.81
Granules India	17	11	360.60	30.78	48.59	27.44	4.99	0.28	0.52	2.40	1.17	11	4.55
Jyothy Labs	18	19	139.80	12.16	23.31	30.22	4.19	2.09	1.36	1.77	0.86	19	4.32
Escorts	19	20	1,157.90	9.91	34.76	21.09	4.56	0.21	0.36	2.45	1.37	28	4.43
Rallis India	20	21	279.00	17.33	40.67	29.40	3.86	0.87	0.68	2.23	1.04	22	3.32
Emami	21	23	354.35	4.98	76.04	53.82	8.94	1.09	0.71	1.97	0.68	31	4.19
Glenmark Pharma	22	22	454.35	12.12	22.63	16.73	2.14	0.53	0.72	2.58	0.86	29	3.62
Dalmia Bharat	23	26	734.10	3.99	102.12	63.56	1.35	0.27	0.68	2.14	1.12	23	4.65
Hindustan Unilever	24	27	2,060.30	22.95	32.84	66.57	54.54	1.68	3.02	1.30	0.59	43	4.21
Amara Raja Batteries	25	--	710.80	12.19	13.11	18.53	3.35	1.51	1.41	1.86	0.93	23	4.13
KEC International	26	32	309.15	8.32	9.73	14.07	2.84	1.11	1.37	2.21	1.18	34	4.65
HCL Technologies	27	--	788.30	6.04	7.71	19.54	4.19	0.86	1.39	1.61	0.85	47	4.49
PI Industries	28	28	1,892.15	41.80	63.56	57.55	10.04	0.21	1.14	1.78	0.78	32	3.78
Sun TV Network	29	29	442.70	2.65	7.90	12.70	3.07	5.43	1.62	2.19	1.04	23	4.65
Cadila Healthcare	30	25	376.05	10.85	16.92	33.02	3.74	0.91	1.91	1.51	0.22	37	3.51
Sanofi India	31	37	8,381.00	2.10	34.59	46.63	7.91	4.11	1.34	1.18	0.35	10	4.20
Abbott India	32	33	15,982.90	16.99	23.56	57.37	13.99	1.56	1.76	1.49	0.54	12	4.33
Embassy Office Parks REI	33	35	360.00	9.69	16.76	36.31	1.25	5.13	2.24	1.51	0.67	14	4.00
Divi's Laboratories	34	36	3,020.45	31.79	40.93	58.97	11.10	0.51	1.44	1.50	0.61	17	4.06
Torrent Pharmaceuticals	35	38	2,650.25	11.83	25.40	44.09	9.37	1.20	1.75	1.64	0.43	35	3.37
Infosys	36	34	975.40	9.88	9.44	24.31	6.26	1.72	2.63	1.98	0.92	48	4.52
Mphasis	37	30	1,265.15	12.78	7.51	20.78	4.23	2.53	2.74	1.86	0.88	34	4.12
Heidelbergcement India	38	40	175.10	1.88	8.13	14.93	3.05	3.34	1.79	1.87	1.03	18	4.72
Jubilant Life Sciences	39	39	698.85	10.78	9.73	12.55	2.01	0.69	0.77	2.52	0.99	12	4.17
Ajanta Pharma	40	31	1,563.05	11.82	21.93	29.30	5.32	0.83	1.46	1.78	0.72	12	4.42
Hero MotoCorp	41	--	2,918.30	16.66	0.35	16.09	4.06	3.04	52.85	1.86	0.81	52	3.94
Larsen & Toubro Infotech	42	44	2,437.85	12.92	15.26	26.49	7.04	1.14	1.81	1.74	0.98	34	3.82
Zensar Technologies	43	41	205.90	1.96	18.65	17.48	2.20	1.40	1.43	2.40	1.04	14	4.21
Aarti Industries	44	42	992.80	19.04	16.97	32.45	5.84	0.34	1.78	1.83	0.80	22	4.18
Dixon Technologies India	45	46	8,430.10	46.68	51.11	80.40	17.90	0.05	1.54	2.07	0.72	18	4.00
Marico	46	43	342.60	7.70	16.32	43.45	14.66	1.98	2.62	1.33	0.40	39	3.67
Mindtree	47	45	1,248.15	6.07	18.75	27.50	5.97	1.00	1.61	2.00	0.96	37	3.03
Varun Beverages	48	47	684.00	7.60	22.11	40.62	5.93	0.37	1.84	1.94	0.63	13	4.46
GlaxoSmithKline Pharma	49	48	1,545.10	12.09	45.11	284.00	14.54	2.52	4.69	1.55	0.44	11	3.00
Tata Consultancy Service	50	--	2,332.25	5.29	7.07	27.88	9.48	2.76	3.89	1.54	0.76	48	3.27

*REVENUE AND NET PROFIT GROWTH IS BASED ON CONSENSUS ANALYSTS' EXPECTATIONS. NR: NOT IN THE RANKING. DATA AS ON 24 SEPTEMBER 2020. **SOURCE:** BLOOMBERG

1 Fast growing stocks

Top 5 stocks with the highest expected revenue % growth over the previous year



2 Least expensive stocks

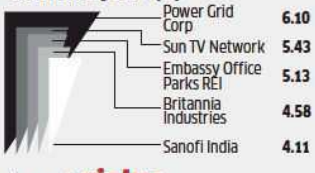
Top 5 stocks with the lowest price-earnings ratio

3 Best PEGs

Top 5 stocks with the least price-earnings to growth ratio

4 Income generators

Top 5 stocks with the highest dividend yield (%)



5 Least risky

Top 5 stocks with the lowest downside risk

SEE DOWNSIDE RISK AND BEAR BETA COLUMNS IN THE ADJACENT TABLE.

ETW FUNDS 100

BEST FUNDS TO BUILD YOUR PORTFOLIO

ET Wealth collaborates with **Value Research** to identify the top-performing funds across categories. Equity funds and equity-oriented hybrid funds are ranked on 3-year returns while debt-oriented hybrid and income funds are ranked on 1-year returns.

	Value Research Fund Rating	Net Assets (₹ Cr)	RETURNS (%) 3-Month	6-Month	1-Year	3-Year	5-Year	Expense Ratio (%)
EQUITY: LARGE CAP								
Axis Bluechip Fund	★★★★★	16,763.73	4.37	29.22	-2.94	8.08	10.32	1.70
Canara Robeco Bluechip Equity Fund	★★★★★	701.72	6.19	40.22	4.74	7.44	9.69	2.45
HDFC Index Fund	★★★★★	1,454.35	6.77	45.52	-3.37	6.27	8.69	0.30
Tata Index Sensex Fund	★★★★	26.51	6.57	43.16	-3.31	6.22	8.32	1.00
UTI Nifty Index Fund	★★★★	2,718.09	6.62	46.76	-3.57	4.63	8.17	0.14
Edelweiss Large Cap Fund	★★★★	192.93	7.04	41.55	-2.17	4.50	7.63	2.44
HDFC Index Fund Nifty 50 Plan	★★★★	1,857.60	6.55	46.23	-3.92	4.46	7.97	0.30
BNP Paribas Large Cap Fund	★★★★	843.97	4.11	35.06	-2.52	4.19	7.00	2.31
Mirae Asset Large Cap Fund	★★★★★	18,385.69	7.93	47.14	-1.92	4.17	9.87	1.71
Sundaram Select Focus Fund	★★★★★	1,064.39	3.05	40.25	-4.96	3.91	7.81	2.32
Motilal Oswal Focused 25 Fund	★★★★	1,264.77	4.39	38.62	-1.22	2.91	7.59	2.25
ICICI Prudential Bluechip Fund	★★★★	24,365.05	4.34	42.76	-5.03	2.30	7.60	1.74
EQUITY: LARGE & MIDCAP								
Mirae Asset Emerging Bluechip Fund	★★★★★	11,315.61	8.51	51.00	4.50	6.18	13.63	1.86
Invesco India Growth Opportunities Fund	★★★★	2,831.03	8.06	41.32	-1.55	4.14	8.64	2.00
Canara Robeco Emerging Equities Fund	★★★★★	5,877.96	9.77	45.71	6.27	3.46	10.55	1.95
Kotak Equity Opportunities Fund	★★★★	3,637.31	7.55	43.06	2.03	3.27	8.85	2.02
Sundaram Large and Mid Cap Fund	★★★★	1,249.30	7.59	40.18	-6.74	3.14	8.39	2.22
LIC MF Large & Mid Cap Fund	★★★★	749.73	7.51	34.54	-2.52	3.02	9.60	2.49
Principal Emerging Bluechip Fund	★★★★	2,091.27	8.70	44.49	2.83	1.40	9.88	2.09
DSP Equity Opportunities Fund	★★★★	5,016.74	3.77	40.12	-4.39	1.06	8.35	1.97
EQUITY: MULTI CAP								
Parag Parikh Long Term Equity Fund	★★★★★	4,508.14	13.35	58.28	18.42	12.17	13.82	1.98
Quant Active Fund*	★★★★	35.80	16.75	76.14	22.40	10.31	12.34	2.48
IIFL Focused Equity Fund	★★★★★	930.27	8.42	44.04	3.53	7.36	11.52	2.23
UTI Equity Fund	★★★★	10,982.95	9.58	41.88	4.74	7.11	8.76	1.96
Canara Robeco Equity Diversified Fund	★★★★	2,280.01	8.03	40.72	4.61	6.56	9.03	2.18
SBI Focused Equity Fund	★★★★★	10,247.78	1.48	29.17	-2.61	5.16	9.53	1.75
Axis Focused 25 Fund	★★★★★	11,372.39	4.17	32.64	-3.27	5.13	10.74	2.02
DSP Equity Fund	★★★★	3,725.93	2.80	34.96	-4.24	3.61	8.54	2.02
Tata Retirement Savings Fund	★★★★	793.28	8.58	45.61	2.41	3.56	10.54	2.40
Kotak Standard Multicap Fund Regular Plan	★★★★	29,714.07	5.28	41.83	-5.00	2.56	8.57	1.66
SBI Magnum Multicap Fund	★★★★	9,063.31	5.20	35.97	-9.20	0.82	7.60	1.89
JM Multicap Fund	★★★★	130.88	-0.90	27.31	-12.76	-0.68	7.88	–
EQUITY: MID CAP								
Axis Midcap Fund	★★★★★	6,306.68	8.60	36.82	7.87	9.87	10.04	2.02
Invesco India Mid Cap Fund	★★★★	934.54	10.46	43.43	9.46	5.41	9.18	2.36
DSP Midcap Fund	★★★★★	7,883.08	11.67	45.55	10.30	4.70	11.37	1.93
Kotak Emerging Equity Fund	★★★★	7,300.47	11.35	42.60	2.99	2.25	9.27	1.86
L&T Midcap Fund	★★★★	5,790.76	12.70	47.53	4.21	-0.31	9.26	1.93
EQUITY: SMALL CAP								
Axis Small Cap Fund	★★★★	2,720.15	14.87	40.60	6.78	8.10	11.03	2.03
SBI Small Cap Fund	★★★★★	5,039.25	16.64	50.87	9.91	5.43	13.22	1.88
Nippon India Small Cap Fund	★★★★	9,285.32	18.04	63.03	7.32	1.73	10.93	1.77
EQUITY: VALUE ORIENTED								
Invesco India Contra Fund	★★★★★	5,019.09	6.23	47.28	2.61	5.21	10.05	1.94
Kotak India EQ Contra Fund	★★★★	817.65	7.25	45.03	-3.58	4.07	8.70	2.40
Tata Equity PE Fund	★★★★	4,465.04	7.42	48.51	-2.99	-0.47	9.42	1.95
EQUITY: ELSS								
Canara Robeco Equity Tax Saver Fund	★★★★★	1,122.05	12.14	46.67	8.44	8.40	9.79	2.26
Quant Tax Plan*	★★★★	14.50	19.92	80.37	23.13	7.75	15.03	2.48
Mirae Asset Tax Saver Fund	★★★★★	4,181.07	9.96	53.18	3.07	6.51	–	1.90
Invesco India Tax Plan	★★★★	1,112.86	7.63	43.66	2.09	5.03	8.47	2.19
Axis Long Term Equity Fund	★★★★★	21,904.51	3.18	30.51	-4.87	4.89	8.31	1.72
Aditya Birla Sun Life Tax Relief 96	★★★★	11,000.67	5.35	43.17	0.99	2.91	8.23	1.89
JM Tax Gain Fund	★★★★	38.33	5.61	39.80	-7.58	1.84	8.73	–
DSP Tax Saver Fund	★★★★	6,298.41	3.60	41.81	-5.47	1.74	8.52	1.88
Tata India Tax Savings Fund	★★★★	2,075.30	6.33	41.68	-5.65	1.61	8.27	2.09
Motilal Oswal Long Term Equity Fund	★★★★	1,585.39	0.19	30.30	-12.32	-2.33	7.81	2.21
HYBRID: EQUITY SAVINGS								
Edelweiss Equity Savings Fund	★★★★★	72.70	2.97	14.05	6.54	6.57	7.19	1.68
Kotak Equity Savings Fund	★★★★	1,366.63	3.64	20.76	5.04	5.64	7.14	2.20
Axis Equity Saver Fund	★★★★	689.34	2.87	17.11	0.30	4.87	6.04	2.33

8.08% THE 3-YEAR RETURN OF AXIS BLUECHIP IS THE HIGHEST IN ITS CATEGORY.

6.18% THE 3-YEAR RETURN OF MIRAE ASSET EMERGING BLUECHIP IS THE HIGHEST IN ITS CATEGORY.

9.87% THE 3-YEAR RETURN OF AXIS MID-CAP FUND IS THE HIGH-EST IN ITS CATEGORY.

8.40% THE 3-YEAR RETURN OF CANARA ROBE-CO EQUITY TAX SAVER IS THE HIGH-EST IN ITS CATEGORY.

LAGGARDS & LEADERS

Taking a long-term view of fund returns, here is a list of 10 funds in each category—five leaders (worth investing) and five laggards (that may be a drag on your portfolio).

LAGGARDS LEADERS

Equity: Large-cap 5-year returns

Laggards		Leaders	
3.20	Taurus Largecap Equity	11.13	Nippon India ETF NV20
3.61	Franklin India Bluechip	10.44	Nippon India ETF Shariah BeES
4.01	Principal Nifty 100 Equal	10.32	Axis Bluechip
5.00	Tata Large Cap	9.87	Mirae Asset Large Cap
5.11	Nippon India Large Cap	9.69	Canara Robeco Bluechip Equity

Equity: Multi-cap 5-year returns

Laggards		Leaders	
1.57	Nippon India Multi Cap	13.82	Parag Parikh Long Term Equity
2.26	Nippon India Retirement	12.34	Quant Active
2.37	HDFC Focused 30	11.52	IIFL Focused Equity
2.64	Taurus Starshare	10.74	Axis Focused 25
3.69	LIC MF Multicap	10.54	Tata Retirement Savings

Equity: Mid-cap 3-year returns

Laggards		Leaders	
-4.88	Aditya Birla Sun Life Mid Cap	9.87	Axis Midcap
-4.53	Sundaram Mid Cap	6.11	Quant Mid Cap
-3.14	Motilal Oswal Midcap 100 ET	5.41	Invesco India Mid Cap
-3.05	IDBI Midcap	5.24	PGIM India Midcap Opportunities
-2.01	SBI Magnum Midcap	4.70	DSP Midcap

Equity: Small-cap 3-year returns

Laggards		Leaders	
-8.46	ABSL Small Cap	8.10	Axis Small Cap
-7.53	Sundaram Small Cap	5.43	SBI Small Cap
-5.83	Franklin India Smaller Companies	4.51	Quant Small Cap
-5.65	HSBC Small Cap Equity	1.73	Nippon India Small Cap
-4.54	L&T Emerging Businesses	1.47	Union Small Cap

Hybrid: Aggressive 5-year returns

Laggards		Leaders	
1.71	Nippon India Equity Hybrid	10.00	Quant Absolute
3.42	Franklin India Life	9.53	Tata Retirement Savings
4.10	Tata Hybrid Equity	9.43	Mirae Asset Hybrid Equity
4.11	JM Equity Hybrid	9.29	Canara Robeco Equity Hybrid
4.11	PGIM India Hybrid Equity	8.82	Principal Hybrid Equity

ANNUALISED RETURNS IN % AS ON 23 SEP 2020.

ETW FUNDS 100

	Value Research Fund Rating	Net Assets (₹ Cr)	RETURNS (%) 3-Month	6-Month	1-Year	3-Year	5-Year	Expense Ratio
ICICI Prudential Equity Savings Fund	★★★★	1,146.16	1.85	18.49	0.42	4.61	7.12	1.49
HYBRID: AGGRESSIVE (EQUITY-ORIENTED)								
Canara Robeco Equity Hybrid Fund	★★★★★	3,350.93	5.81	30.90	6.16	6.49	9.29	1.99
BNP Paribas Substantial Equity Hybrid Fund	★★★★★	440.30	3.31	26.79	2.75	6.25	–	2.42
SBI Equity Hybrid Fund	★★★★★	31,993.20	2.47	26.07	-1.74	4.95	7.96	1.62
Mirae Asset Hybrid Equity Fund	★★★★	3,749.41	4.84	34.33	1.10	4.89	9.43	1.91
HDFC Children's Gift Fund	★★★★	3,363.01	8.14	37.30	2.28	4.75	8.80	2.00
Sundaram Equity Hybrid Fund	★★★★	1,594.91	2.95	29.09	-2.43	4.48	7.79	2.17
DSP Equity & Bond Fund	★★★★	5,719.79	2.77	28.57	-0.53	4.06	8.36	1.90
HDFC Retirement Savings Fund	★★★★	436.13	6.31	32.32	0.33	3.89	–	2.64
Tata Retirement Savings Fund	★★★★	1,154.85	7.51	39.10	4.13	3.78	9.53	2.20
Principal Hybrid Equity Fund	★★★★	1,105.68	5.52	31.77	-0.09	1.74	8.82	2.20
HYBRID: CONSERVATIVE (DEBT-ORIENTED)								
Baroda Conservative Hybrid Fund	★★★★★	25.74	2.16	10.43	9.36	7.85	7.97	2.10
Kotak Debt Hybrid Fund	★★★★	267.82	4.09	17.18	8.54	6.01	8.10	2.27
ICICI Prudential Regular Savings Fund	★★★★★	1,916.31	3.95	12.94	7.86	7.09	8.94	1.93
Tata Retirement Savings Fund	★★★★	144.18	2.98	15.61	7.37	5.25	7.98	2.21
Indiabulls Savings Income Fund*	★★★★★	14.96	-0.28	4.91	0.17	6.05	–	2.00
DEBT: MEDIUM- TO LONG-TERM								
SBI Magnum Income Fund	★★★★★	1,472.92	2.13	8.26	12.61	8.30	9.00	1.45
ICICI Prudential Bond Fund	★★★★	3,976.34	2.12	9.81	11.74	8.07	8.55	1.13
IDFC Bond Fund Income Plan	★★★★	669.19	0.62	6.98	10.40	7.82	8.40	1.97
Nippon India Income Fund	★★★★	429.90	0.55	6.30	9.85	7.94	8.43	1.73
DEBT: MEDIUM-TERM								
SBI Magnum Medium Duration Fund	★★★★★	4,019.12	2.32	8.33	11.91	8.85	9.72	1.25
ICICI Prudential Medium Term Bond Fund	★★★★	5,087.99	3.31	7.49	10.71	7.38	8.10	1.63
IDFC Bond Fund Medium Term Plan	★★★★	3,646.51	1.07	7.56	9.72	7.82	8.09	1.43
HDFC Medium Term Debt Fund	★★★★	1,161.13	3.19	6.24	9.09	7.38	8.01	1.49
Indiabulls Income Fund*	★★★★	25.53	1.14	5.12	7.97	8.14	7.87	0.90
DEBT: SHORT-TERM								
HDFC Short Term Debt Fund	★★★★★	13,153.94	2.45	8.55	10.95	8.67	8.61	0.74
Axis Short Term Fund	★★★★	9,375.15	1.85	8.20	10.32	8.22	8.32	1.01
IDFC Bond Fund Short Term Plan	★★★★	13,052.36	1.56	8.28	9.98	8.19	8.15	0.80
Kotak Bond - Short Term Regular Fund	★★★★	12,848.37	1.76	7.52	9.86	7.96	8.10	1.14
L&T Short Term Bond Fund	★★★★	4,643.77	1.14	7.64	9.67	8.02	8.00	0.75
DEBT: DYNAMIC BOND								
Axis Dynamic Bond Fund	★★★★	893.43	1.60	9.62	12.16	8.65	8.88	0.67
ICICI Prudential All Seasons Bond Fund	★★★★	4,287.35	2.18	7.57	12.02	8.16	9.48	1.52
IDFC Dynamic Bond Fund	★★★★	2,646.99	0.88	7.58	11.76	8.50	8.90	1.72
Kotak Dynamic Bond Fund	★★★★★	1,631.70	1.82	8.34	10.88	8.98	9.48	1.15
SBI Dynamic Bond Fund	★★★★★	2,161.40	0.51	6.33	10.26	8.09	9.02	1.64
Mirae Asset Dynamic Bond Fund	★★★★	114.48	0.84	5.11	10.23	7.97	–	1.38
PGIM India Dynamic Bond Fund	★★★★	105.45	1.27	6.24	9.03	7.62	8.51	1.76
Edelweiss Dynamic Bond Fund	★★★★★	102.12	0.69	3.17	7.50	7.74	7.60	0.98
DEBT: CORPORATE BOND								
UTI Corporate Bond Fund	★★★★	1,805.01	1.80	8.23	11.52	–	–	0.58
Aditya Birla Sun Life Corporate Bond Fund	★★★★★	20,205.38	2.00	9.02	11.22	8.82	8.93	0.45
HDFC Corporate Bond Fund	★★★★	21,051.98	1.94	8.84	10.97	8.71	8.97	0.61
ICICI Prudential Corporate Bond Fund	★★★★	16,161.92	1.89	7.96	10.44	8.32	8.52	0.60
DSP Corporate Bond Fund	★★★★	1,101.06	1.53	8.30	10.27	–	–	0.48
Kotak Corporate Bond Fund - Standard Plan	★★★★★	6,586.01	1.96	7.23	9.46	8.50	8.52	0.61

All equity funds ranked on 3-year returns. Debt funds ranked on 1-year returns.

5.49% THE 3-YEAR RETURN OF CANARA ROBECO EQUITY HYBRID FUND IS THE HIGHEST IN CATEGORY.

12.61% THE 1-YEAR RETURN OF SBI MAGNUM INCOME FUND IS THE HIGHEST IN ITS CATEGORY.

12.16% THE 1-YEAR RETURN OF AXIS DYNAMIC BOND FUND IS THE HIGHEST IN ITS CATEGORY.

Expense as on 31 August 2020
*Expense as on before 31 August 2020
Returns as on 23 September 2020
Assets as on 31 August 2020
Rating as on 31 August 2020

Did not find your fund here?
Log on to www.wealth.economictimes.com for an exhaustive list.

Methodology

The Top 100 includes only those funds that have a 5- or 4-star rating from Value Research. The rating is determined by subtracting a fund's risk score from its return score. The result is assigned stars according to the following distribution:

★★★★★ Top 10%
★★★★ Next 22.5%
★★★ Middle 35%
★★ Next 22.5%
★ Bottom 10%

(Not covered in ETW Funds 100 listing)

Fixed-income funds less than 18 months old and equity funds less than three years old have been excluded. This ensures that all the funds have existed long enough to be tracked for consistency of performance. Given the focus on long-term investing, liquid funds, short-term funds and FMPs are not part of the list. For the same reason, we have considered only the growth option of funds that reinvest returns instead of offering dividends that increase the NAV of funds.

Despite these rigorous filters, the list includes 2/3 funds of each category to maximise choice from the best funds. The fund categories are:

EQUITIES (figures over the past one year)

Large-cap: Mostly invested in large-cap companies.

Multi-cap: Mostly invested in large- and mid-cap companies.

Mid-cap: Mostly invested in mid-cap companies.

Small-cap: Mostly invested in small-cap companies.

Tax planning: Offer tax rebate under Section 80C.

International: More than 65% of assets invested abroad.

Income: Average maturity varies according to objective.

Gilt: Medium- and long-term; invest in gilt securities.

Equity-oriented: Average equity exposure more than 60%.

Debt-oriented aggressive: Average equity exposure between 25-60%.

Debt-oriented conservative: Average equity exposure less than 25%.

Arbitrage: Seek arbitrage opportunities between equity and derivatives.

Asset allocation: Invest fully in equity or debt as per market conditions.

FUND RAISER

2,900%

was the increase registerd in AUM of PGIM India Mutual Fund's Global Equity Opportunities Fund over the past one year. It reached to ₹300 crore from ₹10 crore in October 2019.

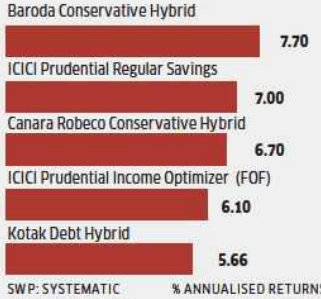
1 Top 5 SIPs

Top 5 equity schemes based on 10-year SIP returns

SIP: SYSTEMATIC INVESTMENT PLAN
% ANNUALISED RETURNS AS ON 23 SEP 2020

2 Top 5 MIPs

Top 5 MIP schemes based on 3-year SWP returns



SWP: SYSTEMATIC WITHDRAWAL PLAN
% ANNUALISED RETURNS AS ON 23 SEP 2020

3 Large Cap cash holdings

% OF ASSETS AS ON 31 AUGUST 2020

4 Debt: Medium to long duration

% AS ON 31 AUGUST 2020

% EXPENSE RATIO IS CHARGED ANNUALLY.
METHODOLOGY OF TOP 100 FUNDS ON WWW.WEALTH.ECONOMICTIMES.COM

LOANS & DEPOSITS

ET WEALTH collaborates with **ETIG** to provide a comprehensive ready reckoner of loans and fixed-income instruments. Don't miss the information on investments for senior citizens and a simplified EMI calculator.

Top five bank FDs

TENURE: 1 YEAR	Interest rate (%) compounded qtrly	What ₹10,000 will grow to
IndusInd Bank	7.00	10,719
RBL Bank	6.85	10,703
DCB Bank	6.65	10,682
Ujjivan Small Finance Bank	6.50	10,666
Lakshmi Vilas Bank	6.00	10,614
TENURE: 2 YEARS		
IndusInd Bank	7.00	11,489
RBL Bank	6.85	11,455
DCB Bank	6.80	11,444
AU Small Finance Bank	6.50	11,376
Ujjivan Small Finance Bank	6.50	11,376
TENURE: 3 YEARS		
RBL Bank	7.15	12,369
DCB Bank	6.95	12,296
AU Small Finance Bank	6.75	12,224
IndusInd Bank	6.75	12,224
Ujjivan Small Finance Bank	6.05	11,974
TENURE: 5 YEARS		
DCB Bank	6.95	14,113
IndusInd Bank	6.75	13,975
AU Small Finance Bank	6.50	13,804
RBL Bank	6.50	13,804
Lakshmi Vilas Bank	6.00	13,469

Top five senior citizen bank FDs

TENURE: 1 YEAR	Interest rate (%) compounded qtrly	What ₹10,000 will grow to
IndusInd Bank	7.50	10,771
RBL Bank	7.35	10,756
DCB Bank	7.00	10,719
Ujjivan Small Finance Bank	7.00	10,719
Bandhan Bank	6.50	10,666
TENURE: 2 YEARS		
IndusInd Bank	7.50	11,602
RBL Bank	7.35	11,568
DCB Bank	7.30	11,557
AU Small Finance Bank	7.00	11,489
Ujjivan Small Finance Bank	7.00	11,489
TENURE: 3 YEARS		
RBL Bank	7.65	12,552
DCB Bank	7.45	12,479
AU Small Finance Bank	7.25	12,405
IndusInd Bank	7.25	12,405
Ujjivan Small Finance Bank	6.55	12,152
TENURE: 5 YEARS		
DCB Bank	7.45	14,464
IndusInd Bank	7.25	14,323
AU Small Finance Bank	7.00	14,148
RBL Bank	7.00	14,148
Bandhan Bank	6.50	13,804

Top five tax-saving bank FDs

TENURE: 5 YEARS AND ABOVE	Interest rate (%)	What ₹10,000 will grow to
DCB Bank	6.95	14,113
IndusInd Bank	6.75	13,975
AU Small Finance Bank	6.50	13,804
RBL Bank	6.50	13,804
Karur Vysya Bank	6.00	13,469

ALL DATA SOURCED FROM ECONOMIC TIMES INTELLIGENCE GROUP (ETIGDB@TIMESGROUP.COM)

HOME LOAN RATES

With effect from 1 October, all banks have made the transition to external benchmarks for pricing new home loans. Most banks have picked the RBI repo rate as the external benchmark.

REPO RATE: 4%

BANK	RLLR (%)	FOR SALARIED FROM (%)	FOR SALARIED TO (%)	FOR SELF EMPLOYED (%) FROM (%)	FOR SELF EMPLOYED (%) TO (%)	WEF
Union Bank of India	6.80	6.70	7.15	6.85	7.15	1 June 2020
Bank of India	6.85	6.85	7.15	6.85	7.75	1 June 2020
Central Bank of India	6.85	6.85	7.30	6.85	7.30	30 May 2020
Canara Bank	6.90	6.90	8.90	6.90	8.90	7 Aug 2020
Punjab & Sind Bank	6.90	6.90	7.25	6.90	7.25	30 June 2020
ICICI Bank	6.95	6.95	7.95	7.20	8.05	22 May 2020
SBI Term Loan	6.65	6.95	7.45	7.10	7.60	1 July 2020
Bank of Baroda	7.00	7.00	8.35	7.00	8.35	1 Aug 2020
IDFC First Bank	7.00	7.00	8.00	7.00	8.00	1 June 2020
Bank of Maharashtra	7.05	7.05	8.35	7.30	8.45	7 July 2020
Indian Overseas Bank	6.85	7.05	7.30	7.05	7.30	1 July 2020
Indian Bank	6.80	7.15	7.45	7.20	7.50	1 July 2020
Punjab National Bank	6.80	7.15	7.75	7.15	7.75	1 Sept 2020
UCO Bank	6.90	7.15	7.25	7.15	7.25	27 May 2020
J & K Bank	7.20	7.30	7.60	7.30	7.60	30 June 2020
SBI Max Gain	6.65	7.30	7.80	7.45	7.95	1 July 2020
IDBI Bank	7.40	7.40	8.00	7.40	8.40	12 Aug 2020
Kotak Mahindra Bank	7.40	7.40	9.55	7.55	9.70	1 June 2020
Axis Bank	7.75	7.75	8.40	7.95	8.55	3 June 2020
Karur Vysya Bank	7.20	7.80	9.65	7.80	9.65	1 June 2020
Dhanlaxmi Bank	7.00	7.85	8.50	7.85	9.00	1 Sept 2020

Your EMI for a loan of ₹1 lakh

TENURE	5 YEARS	10 YEARS	15 YEARS	20 YEARS	25 YEARS
@ 7%	1,980	1,161	899	775	707
@ 8%	2,028	1,213	956	836	772
@ 9%	2,076	1,267	1,014	900	839
@ 10%	2,125	1,322	1,075	965	909

FIGURES ARE IN ₹. USE THIS CALCULATOR TO CHECK YOUR LOAN AFFORDABILITY.
FOR EXAMPLE, A ₹5 LAKH LOAN AT 12% FOR 10 YEARS WILL TRANSLATE INTO AN EMI OF ₹1,435 X 5 = ₹7,175

Post office deposits

	Interest (%)	Minimum investment (₹)	Maximum investment (₹)	Features	Tax benefits
Sukanya Samriddhi Yojana	7.60	250	1.50 lakh	One account per girl child	80C
Senior Citizens' Savings Scheme	7.40	1,000	15 lakh	5-year tenure, minimum age 60 yrs	80C
Public Provident Fund	7.10	500	1.5 lakh p.a.	15-year tenure, tax-free returns	80C
Kisan Vikas Patra	6.90	1,000	No limit	Can be encashed after 2.5 years	Nil
5-year NSC VIII Issue	6.80	1,000	No limit	No TDS	80C
Time deposit	5.50-6.70	1,000	No limit	Available in 1, 2, 3, 5 year tenures	80C#
Post Office Monthly Income Scheme	6.60	1,000	Single 4.5 lakh	5-year tenure, monthly returns	Nil
			Joint 9 lakh	5-year tenure, monthly returns	Nil
Recurring deposits	5.80	100	No limit	5-year tenure	Nil
Savings account	4.00	500	No limit	₹10,000 interest tax-free	Nil

Data as on 24 September 2020

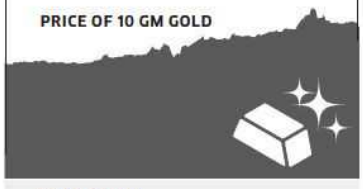
Benefit available only for 5-year deposit

ALTERNATIVE INVESTMENT RETURNS MONITOR

The scope and attractiveness of alternative investments is increasing. Here's a weekly tracker of returns from such investments. But don't compare these with returns from traditional investments since the proportion and purpose of alternative investments is vastly different.

Gold (995) (₹)

37,754 (24 SEPT 2019) — 49,623 (24 SEPT 2020)

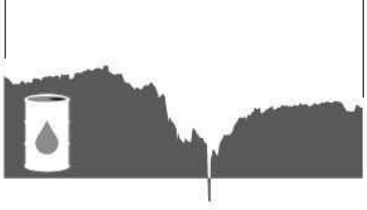


Silver (₹)

47,245 (24 SEPT 2019) — 56,471 (24 SEPT 2020)

WTI Crude ($/barrel)

57.17 (23 SEPT 2019) — 39.73 (23 SEPT 2020)



Wine (₹)

347.65 (21 SEPT 2019) — 338.58 (21 SEPT 2020)

CHANGE

	Gold (995) (₹)	Silver (₹)	WTI Crude ($/barrel)	Wine (₹)
1 WEEK	-3.28%	-13.41%	-3.03%	0%
1 YEAR	31.44%	19.53%	-30.51%	-2.61%

Strengthening of the US dollar is a natural occurrence in any crisis and this time it also brought down gold by 3.28% during the week.

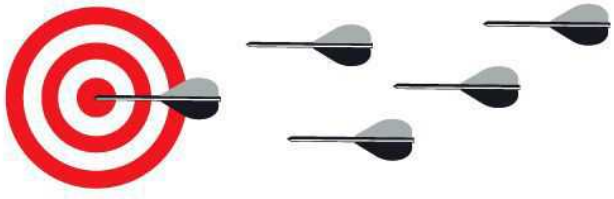
Being a highly volatile commodity, silver fell drastically during the week (13.41%) because of the US dollar strengthening.

Oil demand outlook is grim due to concerns of Covid-19 second wave and the resultant lockdowns, especially in Europe.

You can also make money by investing in wine and the Liv-ex Fine Wine 50 Index from Bloomberg. It tracks daily price movement of the most heavily traded commodities in the wine market.

PENNY STOCKS UPDATE

Penny stocks as a recommended non-traditional investment? Not exactly. **ET WEALTH** neither has the expertise nor does it recommend investing in such stocks. But since the relatively 'low' cost of investment attracts some investors to penny stocks, we provide a weekly snapshot of this most volatile and uncertain type of stock investing.



Top price gainers

STOCK	MARKET PRICE (₹)	1-WEEK (%) CHANGE	1-MTH (%) CHANGE	1-MONTH AVG VOL (LAKH)	1-MONTH AVG VOL CHG (%)	MKT CAP (₹CR)
WS Industries (India)	4.63	8.18	**100.43**	0.50	212.38	12.16
SEL Manufacturing	1.98	11.24	**98.00**	1.62	168.29	65.61
RRIL	3.61	16.08	**97.27**	0.86	-66.91	28.32
Avon Lifesciences	8.14	10.00	**85.84**	0.08	77.54	19.40
Parvati Sweetners	2.30	2.68	**71.64**	0.13	48.48	16.30
NHC Foods	9.93	-4.61	**68.31**	0.23	309.39	11.77
Zenith Health Care	3.78	-8.92	**63.64**	1.66	104.11	20.30
GTL	2.54	27.00	**61.78**	0.19	32.04	39.95
Aditya Spinners	7.50	-1.06	**54.00**	0.08	-40.98	12.56
Zicom Electronic Secu.	3.34	14.78	**53.21**	0.51	740.84	13.77

Top volume gainers

STOCK	MARKET PRICE (₹)	1-WEEK (%) CHANGE	1-MTH (%) CHANGE	1-MTH AVG VOL (LAKH)	1-MONTH AVG VOL CHG (%)	MKT CAP (₹CR)
Zicom Electronic	3.34	14.78	53.21	0.51	**740.84**	13.77
Global Offshore Service	5.32	-9.83	-25.59	0.04	**473.08**	13.16
SKIL Infrastructure	3.11	3.32	-10.63	0.51	**418.51**	67.35
Technofab Engineering	9.83	-4.93	-3.72	0.07	**403.85**	10.31
Balurghat Technologies	8.00	0.00	0.88	0.08	**373.58**	14.56
LKP Securities	5.89	23.48	15.94	1.17	**334.96**	43.56
Escorts Finance	3.07	0.33	26.34	0.16	**325.80**	12.36
Swasti Vinayaka	5.05	23.17	44.29	2.94	**311.56**	35.35
NHC Foods	9.93	-4.61	68.31	0.23	**309.39**	11.77
Rajoo Engineers	9.86	-13.51	6.83	0.55	**304.61**	60.64

Top price losers

Vikas Multicorp	8.55	-21.20	**-53.51**	12.42	-44.76	567.29
Rattanindia Infra	5.45	-22.25	**-52.48**	8.61	-36.87	753.33
Vikas Ecotech	5.87	10.34	**-46.39**	2.47	-88.20	179.39
Vikas WSP	3.98	-32.43	**-41.04**	1.44	-16.17	81.35
Rattanindia Power	2.35	-18.69	**-37.83**	14.68	-56.91	1160.85
Parle Industries	9.54	-14.29	**-33.29**	1.25	68.70	13.36
Jaiprakash Power	2.07	-19.14	**-32.79**	89.26	-31.11	1,415.97
Jaiprakash Associates	2.75	-20.52	**-32.43**	24.26	-57.08	668.92
Opto Circuits (India)	4.94	-19.94	**-32.05**	2.66	-42.02	148.51
Sagar Productions	6.40	-19.29	**-30.43**	1.64	-30.72	25.66

Top volume losers

Vikas Ecotech	5.87	10.34	-46.39	2.47	**-88.20**	179.39
Ujaas Energy	3.55	-19.32	-23.66	1.17	**-77.92**	71.00
Reliance Communications	1.87	-16.52	-25.50	40.61	**-58.28**	517.16
Jaiprakash Associates	2.75	-20.52	-32.43	24.26	**-57.08**	668.92
Rattanindia Power	2.35	-18.69	-37.83	14.68	**-56.91**	1160.85
Empower India	0.15	0.00	0.00	1.92	**-56.43**	17.46
Nila Infrastructures	4.35	-12.30	-14.37	1.06	**-52.41**	171.35
Surat Textile Mills	2.22	-7.50	-14.62	1.49	**-49.59**	49.31
IFCI	5.74	-14.46	-21.90	4.13	**-47.47**	1,088.30
Reliance Power	2.64	-10.20	-28.07	55.01	**-46.09**	740.55

THE STOCKS HAVE BEEN SELECTED USING THE FOLLOWING FILTERS: PRICE LESS THAN ₹10, ONE-MONTH AVERAGE VOLUME GREATER THAN OR EQUAL TO 1 LAKH AND MARKET CAPITALISATION GREATER THAN OR EQUAL TO ₹10 CRORE. DATA AS ON 24 SEPTEMBER 2020. **SOURCE:** ETIG DATABASE AND BLOOMBERG.

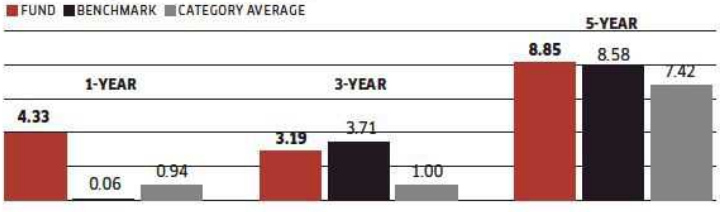
KOTAK EQUITY OPPORTUNITIES

A consistent outperformer

ET Wealth collaborates with **Value Research** to analyse top mutual funds. We examine the key fundamentals of the fund, its portfolio and performance to help you make an informed investment decision.

HOW THE FUND HAS PERFORMED

Point to point returns (%)



The fund has delivered healthy outperformance in recent times.

AS ON 22 SEPT 2020

Rolling returns (%)

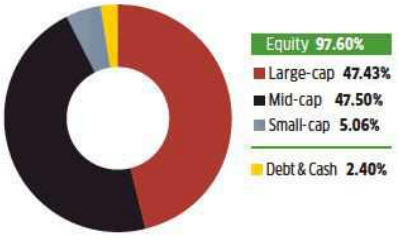
The fund has a track record of modest outperformance relative to index across time frames.

AS ON 22 SEPT 2020

FIGURES DENOTE DAILY ROLLING RETURNS OVER LAST 10 YEARS.

WHERE THE FUND INVESTS

Portfolio asset allocation



Fund style box

The fund portfolio currently features a fine balance between large and mid caps.

BASIC FACTS

DATE OF LAUNCH
9 SEPTEMBER 2004

CATEGORY
EQUITY

TYPE
LARGE & MIDCAP

AUM*
₹3,637.31 Cr

BENCHMARK
NIFTY 200 TOTAL RETURN INDEX

WHAT IT COSTS

NAV**
GROWTH OPTION
₹122.951
DIVIDEND OPTION
₹22.311

MINIMUM INVESTMENT
₹5,000

MINIMUM SIP AMOUNT
₹1,000

EXPENSE RATIO*** (%)
2.02

EXIT LOAD
For units in excess of **10%** of the investment, **1%** will be charged for redemption within 365 days

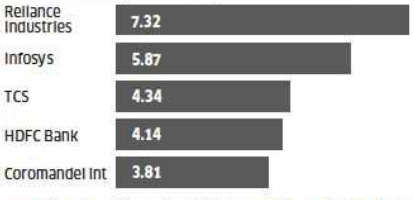
*AS ON 31 AUG 2020
**AS ON 22 SEP 2020
***AS ON 31 AUG 2020

FUND MANAGER
HARSHA UPADHYAYA
TENURE: 8 YEARS

Top 5 sectors in portfolio (%)

The fund is currently overweight energy and construction while running lower weight to financials relative to index.

Top 5 stocks in portfolio (%)



The fund has healthy positions in its top bets yet is well diversified.

Recent portfolio changes

New Entrants

NA

Complete Exits

ABB Power Products and Systems (June), GAIL, SBI (Aug)

Additions

Infosys, JK Cement Ltd, Tata Consultancy Services (July & Aug)

How risky is it?

	Fund	Category	Index
Standard Deviation	20.68	22.37	21.32
Sharpe Ratio	0.01	-0.04	0.08
Mean Return	5.39	4.20	6.79

BASED ON 3-YEAR PERFORMANCE.

The fund retains a healthy risk-return profile in its category.

Source: Value Research

Should You Buy

Kotak Equity Opportunities strikes a fine balance between large and mid caps. It has hiked its mid-cap presence sharply since the recategorisation in 2018, when it had a large-cap tilt. This mid-cap exposure is mostly built in the mid-section of the portfolio, with large caps dominating the top bets. The fund manager prefers companies that have the ability to generate consistent cash flows, have a proven, scalable business model with efficient management and available at reasonable price. It has pared back exposure to financials in recent years. The fund continues to maintain consistency in outperformance despite changes in its focus. The proven credentials of its long serving fund manager provide additional comfort.

Concor: Volumes bottoming out

Privatisation or dedicated freight corridor commissioning can be the long-term triggers.

The pandemic has affected the logistics industry badly. Just like other logistic companies, Container Corporation (Concor) also reported a weak set of numbers for the first quarter of 2020-21. Its revenue and net profit for the quarter fell by 27% and 73% respectively y-o-y. The company is expected to report weak numbers in the second quarter too since the export – import (Exim) rail cargo transport is still down y-o-y. However, analysts see a bottoming out trend here, as the 8% fall in August was significantly lower than the 21% y-o-y cut reported in June. Concor's volumes are expected to get normal from the third quarter and this can be the first trigger for the counter.

To overcome short term difficulties and improve margins, the management is taking several steps. It wants to improve its realisation per transaction by offering a complete logistics package to its customers. In addition to providing first mile–last mile logistics in all its terminals, Concor also plans to build mobile applications to facilitate customer tie-up. Avoiding bidding for low margin short distance cargo movement is another margin boosting measure.

With unmatched presence across the country, Concor will be a direct play on the upcoming large rail freight infrastructure project, Dedicated Freight Corridor (DFC). Though DFC's completion date is pushed back from December 2021 to June 2022, due to Covid induced disturbances, this ₹81,000 crore project will boost Concor's revenues. DFC will improve train's turnaround times and will help rail logistic players like Concor to gain market share against the road players.

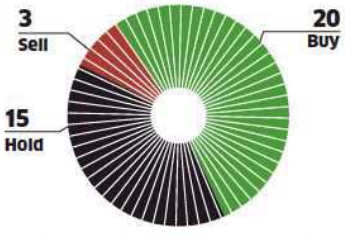
The company is also on the privatisation list and any action by the government on this front can be the next long term trigger for the counter. While cost efficiencies brought in by new private management are expected to improve its fundamentals further, privatisation can also bring in re-rating due to sentiment changes. However, as a precursor for privatisation, Indian Railway has increased land licence fees by more than five times and this will increase the cost burden of Concor.

Investors can ignore its high trailing PE, which is placed at 102.11 now, as the entire logistic industry is reporting losses or very low profits. PE ratio based on 2021-22 earnings, on the other hand, can be a good valuation tool – Concor's PE is placed only at 12.23 times. This is reasonable for a company that is expected to report 25% plus annualised volume growth in the next few years, between 20021-22 and 2024-25 – due to the commissioning of DFC.

Selection Methodology: We pick up the stock that has shown the maximum increase in "consensus analyst rating" during the last 1 month. Consensus rating is arrived at by averaging all analyst recommendations after attributing weights to each of them (ie 5 for strong buy, 4 for buy, 3 for hold, 2 for sell and 1 for strong sell) and any improvement in consensus analyst rating indicates that the analysts are getting more bullish on the stock. To make sure that we pick only companies with decent analyst coverage, this search will be restricted to stocks with at least 10 analysts covering it. You can see similar consensus analyst rating changes during the last one week in ETW 50 table.

—Narendra Nathan

Analysts' views



Concor will be a direct play on the upcoming ₹81,000 Dedicated Freight Corridor (DFC) project which will improve train's turnaround times and will help rail logistic players like Concor to gain market share against the road players. This has made the company a favourite of analysts.

Fundamentals

	ACTUAL		CONSENSUS ESTIMATE	
	2019	2020	2021	2022
Revenue (₹ cr)	6,254.99	6,060.38	6,060.92	7,286.02
Ebitda (₹ cr)	1,790.69	1,693.80	1,356.03	1,767.14
Net profit (₹ cr)	1,229.37	404.47	857.85	1,165.05
EPS (₹)	18.90	-5.40	-19.90	30.30

Valuations

	PBV	PE	DIVIDEND YIELD (%)
Container Corporation of India	2.25	102.11	0.97
Blue Dart Express	13.29	-37.55	0.00
TCI Express	8.74	41.22	0.52
Aegis Logistics	4.74	108.24	0.74
Allcargo Logistics	1.39	14.36	2.47

Latest brokerage calls

RECO DATE	RESEARCH HOUSE	ADVICE	TARGET PRICE (₹)
21 Sep	JM Financial	Buy	470
16 Sep	Jefferies	Buy	525
2 Sep	Prabhudas Lilladher	Buy	468
11 Aug	Motilal Oswal	Buy	455
10 Aug	ICICIdirect	Buy	450

Relative performance

Concor is compared with ET Logistics. Stock price and index values normalised to a base of 100. Source: ETIG and Bloomberg.

WHAT EXPERTS ADVISE

BUY

*STOCK PRICES AS ON 24 SEPT

STOCK	RESEARCH HOUSE	ADVICE	STOCK PRICE* (₹)	1-YEAR TARGET PRICE (₹)	POTENTIAL UPSIDE (%)	COMMENT
Bharat Electronics	Jefferies	Buy	91	130	44	Earnings delivery on existing order book with clarity on margin trajectory will help this market leader in defence electronics in India to move higher from current levels.
City Union Bank	Nirmal Bang	Buy	134	178	33	City Union Bank remains better positioned in the regional banking space and this reinforces confidence in the bank's ability to handle the anticipated surge in NPAs in the near term.
Rail Vikas Nigam	IDBI Capital	Buy	19	25	33	It is attractive due of its order book with near and long term execution visibility (due to capex plan of Indian Railways), business model, experienced management, and reasonable valuation.
KEC International	Anand Rathi	Buy	308	398	29	KEC is expected to surprise in full year execution due to the strong first quarter and ramp-up in inflow. Hiccups in domestic T&D ordering is likely to be balanced by strong traction overseas.
J K Laxmi Cement	Axis Securities	Buy	249	314	26	J K Laxmi Cement's integrated operations and better utilisation of existing capacity will help it to consolidate its position and capture further opportunities in its key markets (North, West and East).
Camlin Fine Sciences	Emkay	Buy	98	115	18	Commencement of Dahej plant will be a game-changer in the long run and would improve the margin profile. Consolidation of Mexico and China facility would also strengthen Camlin's profitability.

SELL

STOCK	RESEARCH HOUSE	ADVICE	STOCK PRICE* (₹)	1-YEAR TARGET PRICE (₹)	POTENTIAL DOWNSIDE (%)	COMMENT
Coromandel Int'l	Prabhudas Lilladher	Reduce	798	676	-15	'Reduce' as headwinds at fertiliser segment (87% of revenue & EBIT) leave little room for a negative surprise given that stock trades at near-to-peak multiples (18 times its expected EPS in 2022).

GETTYIMAGES

The secret sauce to success

Master the art of storytelling and win persuasively, says **Devashish Chakravarty**.

Your friends in sales and marketing are paid storytellers. The rest of us are unpaid storytellers. Think about it. We are surrounded by stories all our working lives—from interviewing for a job, negotiating with a colleague, advertising, news, business meetings, presenting data and fund-raising. How well you persuade someone depends on how well you tell a story. It's time to master the art of storytelling.

Why it works?

Yuval Noah Harari, author of *Sapiens*, says humans think in stories rather than in facts, numbers or equations, and the simpler the story, the better. Stories appeal to your emotional brain which is older and more powerful than your logical brain. Stories educate and entertain. Thus, you can use them to either share a new way of looking at a situation, bring people together, inspire them to take action or leave them with ideas to think about. The best stories are brought to life by a good storyteller. Learn and use common techniques and become one. You are not a reporter. Don't document every fact. Reach out to emotions. Keep your storyline straight with a call-to-action at the end.

Audience first

Know your audience. Understand why they should care about your story. Then you know how to describe the situation, get them to the edge of their seats through the tension and lead to a conclusion. The secret lies in stimulating their imagination by removing as many details as possible. Let their minds fill in the gaps through their current beliefs and understanding while you keep their attention with a fast pace.

4 steps to begin

First, grab a sheet of paper and write down everything you can think about. Then step back and look for a framework to use (*see box*). Then decide the medium —verbal, written, visual, digital/ video or demonstration of an item. Finally, create the script and produce the story. Remember, your story needs to have a character, a challenge and a success/ failure to conclude.

The influencer's art

Ever wondered why influencer marketing works at all? Why have people become famous sharing inane videos and then are able to charge money for promoting brands? That is because storytelling builds influence. Digital influencers invite you into their lives. By sharing, you create trust since human minds are wired to connect to personal stories. Once you are trusted by an audience, you exert enormous power to influence and persuade them.

The business presentation

Look at Steve Jobs' videos of product launches. Something as complicated as a smartphone or computer is sold through a story instead of technical details. Start with an anecdote to involve your audience. Create drama through your words. Involve them by asking questions. Tell them about important events that made you think. Then share an insight and pause for them to reflect. Leave them with multiple such ideas.

30 second ads

Observe great TV and digital advertising. In 30 seconds or less, they grab your emotions. A simple story, a person and props that create a context , a possible gain, the pain of a loss and the urge to own are the steps involved. Similarly, put the best parts of your story upfront and leave out the less important ones in short conversations and elevator pitches.

New job or college admission

Both college admission essays and job interviews directly ask you to share stories. Crack your college admission by sharing a unique, deeply personal experience that draws in the reader, builds excitement and leads to a satisfying positive conclusion with a learning for you. In job interviews, go prepared with at least three stories for each question that you expect on the lines of, tell us a time when you failed as a leader or succeeded in making a tough sale. The interviewer will determine your attitude and ability based on how you narrate.

Entrepreneur dreams

An investor once said: "Entrepreneurs are either grinders or storytellers." The former work hard but can't raise money or get the best people because they are unable tell an exciting story. If you are in that boat, make a U-turn. Instead of sharing data first, start with a personal story, your special insights to make your listeners curious and then paint a big picture to get them excited. Use data later to support it. They are not looking for a perfect vision from you. When you share it vividly, they are confident that you have it under control. Use only your most important points because one weak point will create doubt and destroy your story.

A better leader?

Will storytelling make you a better leader? Not necessarily. However great leaders are always great storytellers. They keep their stories simple, can talk about personal failure and connect deeply with you. Like them, choose your words carefully and try it out on a couple of people before going to a large crowd. Get them to switch from logic to emotions. Ira Glass, a radio personality, says: "Great stories happen to those who tell them." Master storytelling and lead an exciting life!

THE WRITER IS A CAREER COACH, MENTOR AND THE AUTHOR OF YOURSORTINGHAT.COM

USE A PROVEN FORMULA

1 S.T.A.R.
The STAR–Situation, Task, Action, Result –is a time-tested formula that you can use extensively in a job interview or campus application. And it is simple enough for any other situation where you want to tell a story. First, describe the challenge within a context and thus the desired goal. Then lay out the actions that were taken or planned and finally the grand outcome.

2 STORY SPINE
Pixar, the makers of *Toy Story* and multiple other animated films, uses the story spine structure. Once upon a time... (describe characters and the world), And every day.. (their routine), Until one day... (a crisis), And because of this... (the initial goal), And because of this... (for each subsequent goal), Until finally... (the climax), And ever since that day (the changed world). Try this when you are introducing a completely new idea or convincing someone with a rigid opposite point of view.

3 HERO'S JOURNEY
Consider the story telling formula used since ancient times and adopted by Disney films. Firstly, describe the hero of your story and then paint the villain or the obstacle. Then describe the journey to acquire a super power, magic or tools that the hero will use. Finally conclude with how the hero succeeds and lives happily ever after. Video and television advertising show you how to use this effectively.

4 SELF, US, NOW
The public narrative technique, developed by Harvard professor and civil rights organiser, Marshall Ganz, converts values into action in three steps. Use three questions - if I don't do it for myself who will? If I do it only for myself, who am I? If not now, then when? The answers lie in Self, Us, Now. Describe what you need to do, shared values and purposes of the community and what choice needs to be made to achieve a dream. Observe public leaders in action with this and use it to rally your team around or build a company.

Replace LTA and opt for NPS benefit

Sudhir Kaushik of *Taxspanner.com* tells readers how they can optimise their tax by rejigging their income and investments.

Pune-based software engineer Vijay Menon has a tax friendly pay structure but he is unable to claim some of the tax exemptions. Taxspanner estimates that Menon can save almost ₹19,000 if his salary structure is rejigged and his company offers him the NPS benefit.

Menon should start by asking his company to replace the taxable medical allowances in his salary with tax-free perks such as newspaper allowance. The leave travel allowance (LTA) should also be replaced. Though LTA is normally tax free if claimed once in two years, Menon has not been able to travel due to the Covid induced lockdown. Instead, he should ask for an allowance for purchasing household goods and furnishings. Under Section 17(2), the employee is taxed for 10% of the value of the asset. So, if he buys a gadget worth ₹25,000, he will be taxed for ₹2,500. Purchase of computers and laptops is not taxed. If his medical allowance and LTA are replaced with tax-free perks, Menon can save up to ₹11,500 in tax.

Next, he should ask his company for the NPS benefit. Up to 10% of the basic salary put in the NPS by a company on behalf of the employee is deductible under Section 80CCD(2). If Menon's company puts ₹2,717 (10% of his basic pay) in the NPS every month, his annual tax will reduce by about ₹6,800. Since he is already an investor in the NPS, he knows the allocation that suits his profile.

Some more tax can be saved by shifting from fixed deposits to mutual funds. While interest from fixed deposits is fully taxable the gains from mutual funds are taxed at a lower rate of 20% after indexation benefit if the holding period exceeds three years.

INCOME FROM EMPLOYER

INCOME HEAD	CURRENT	SUGGESTED	
Basic salary	3,26,000	3,26,000	
House rent allowance	1,30,400	1,30,400	
Special allowance	6,36,000	6,03,400	Reduce this taxable portion of the pay package.
LTA	40,000	0	These perks are now taxable. Replace them with tax free allowances.
Medical allowance	15,000	0	
Telephone allowance	0	18,000	These perks are tax free on submission of actual bills and subject to reasonable limits.
Furnishings and gadget allowance	0	25,000	
Newspaper allowance	0	12,000	
Food coupons	21,600	21,600	
Employer's contribution to Provident Fund	39,120	39,120	
Contribution to NPS under Sec 80CCD(2)	0	32,600	Up to 10% of basic put in NPS is tax free.
TOTAL	12,08,120	12,08,120	

+ INCOME FROM OTHER SOURCES

Interest income	4,500	0	Shift to debt funds to avoid tax on interest.
Capital gains	0	0	
Rental income	0	0	
TOTAL	4,500	0	

All figures are in ₹

Denotes suggestion to increase Denotes suggestion to reduce

Tax-saving investments

INVESTMENT OPTION	CURRENT (₹)	SUGGESTED (₹)
Provident Fund	39,120	39,120
Insurance policy	18,500	18,500
ELSS funds	96,000	96,000
NPS under Sec 80CCD(1b)	50,000	50,000
TOTAL ADMISSIBLE	2,00,000	2,00,000

Other deductions

EXEMPTION OR DEDUCTION	CURRENT (₹)	SUGGESTED (₹)
HRA exemption	1,30,400	1,30,400
Medical insurance	18,000	18,000
TOTAL	1,48,400	1,48,400

Vijay Menon's tax

TAX ON SALARY	TAX ON OTHER INCOME	TAX ON CAPITAL GAINS
CURRENT		
₹64,792	936	0
₹65,728		
SUGGESTED		
₹47,091	0	0
₹47,091		

TOTAL TAX SAVED
₹18,637
PER YEAR

TAX RATIO
(Total tax as % of annual income)

EXISTING (₹)	SUGGESTED (₹)
5.4%	3.9%

WRITE TO US FOR HELP

Paying too much tax? Write to us at etwealth@timesgroup.com with 'Optimise my tax' as the subject. Our experts will tell you how to reduce your tax by rejigging your pay and investments.

your feedback & more...

Readers' response, online and in print, to ET Wealth stories has been enlightening. We pick some that add information and perspective to our articles from previous issues.

Take control of your retirement funds

The cover story, 'How safe is your Provident Fund?', highlights significant issues. *ET Wealth* has been prescient in raising some of these concerns earlier as well in its April issue. Both professionalism and transparency have been in short supply with EPFO and this situation persists. Our retirement funds are no longer in safe hands. We may need to take control of our retirement planning.
N. Venkatchary

This refers to the cover story, 'How safe is your Provident Fund?'. People want their retirement fund to be safe and risk-free and thus opt for EPF or NPS. Though the falling interest rate in these schemes has shaken the trust of investors, people fall back on these retirement plans as the fixed income savings interest rates are at an all-time low and even the mutual funds have caused substantial loss to many.
Barkha

It seems that all the money that has been invested in equity funds in the past 6-7 years by the EPF has been wasted. It is better for people to now invest in fixed deposits or PPF, as the EPF is not giving good interest rates.
V.J.

This refers to the column, 'The first step in mutual fund investing'. The mutual funds business can't survive without distributors or financial advisers. They are the ones who bring new investors and initiate them into this kind of investing. So, advisers are as important for the investors as for the mutual funds business.
Kasturi

First they make you dependent on advisers to create a pool. Once you have a sufficient corpus, they change the rules saying direct/ low cost funds are better for investment.
Praveen Gorthi

Uma Shashikant, in her well researched article, 'In search of a steady income', has rightly stated that medical expenses and ceremonies are the two main reasons responsible for rural impoverishment and debt trap. However, this holds good for urban low income groups as well. However, her logic that steady and secure income are the main reasons for the migration to cities, is not completely true. Today steady and secure earning eludes the urban people too. The country as a whole is gradually adopting the gig economy.
B.P. Sarkar

I have been a regular reader of Uma Shashikant's articles in *ET Wealth*. They are very practical and address the core basics of finance.
Ranjit Desai

This refers to the article. 'Focus on financial stability in the times of slowdown'. Financial stability is certainly important but this pandemic has outlined the importance of health insurance. A number of new health insurance policies have come up to provide a cover against Corona. However, it seems that they are trying to cash in on the fears of people with high policy premiums. This gets difficult for the people already facing pay-cut or job loss issues.
Upendra Pandey

REALTY HOT SPOT

An upscale area in South Delhi

Top educational institutions, premier hospitals and popular retail hotspots are in close proximity

LOCALITY SNAPSHOT
GREEN PARK, DELHI

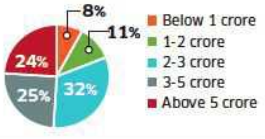
- Upscale residential market centrally located in South Delhi comprising high-end retail shops
- Luxurious area boasting excellent natural greenery and availability of quality social and retail infrastructure
- Close to top educational institutions like IIT Delhi, NIFT, IIFT and premier hospitals like AIIMS and Safdarjung Hospital
- Popular retail hotspots in the vicinity are Hauz Khas Village, Green Park Mkt, SDA Mkt and Aurobindo Mkt
- Robust connectivity through Outer & Inner Ring Rd, Aurobindo Marg as well as Yellow & Magenta Metro Lines

LOCALITY	VALUES Price (₹/sqft)	Rent (₹/month)
Green Park	15,300-24,000	45,700-90,800
Green Park Extension	15,100-24,900	58,500-1,01,700
Hauz Khas	16,100-26,500	51,700-1,03,400
Safdarjung Enclave	14,300-22,500	41,400-78,200
Sarvodaya Enclave	14,200-23,500	66,300-1,09,500

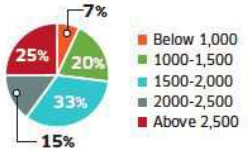
SUPPLY BY BHK

2 BHK **4%**
3 BHK **45%**
4 BHK & above **51%**

Consumer preference by budget segment (₹)



Consumer preference by covered area (sq ft)



Schools 10+ | Hospitals 5+ | Restaurants 20+ | Banks 20+ | Grocery Stores 20+ | Petrol Pumps 5+

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